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# Latin America Report

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## LATIN AMERICA REPORT

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## CONTENTS

## ENERGY ECONOMICS

## INTER-AMERICAN AFFAIRS

Studies Report Oil Is Running Out (German Navarrete; EL TIEMPO, 25 Mar 81).....	1
Trinidad Oil Exploitation Said To Harm Venezuelan Deposits (EL NACIONAL, 24 Apr 81).....	4
Briefs	
Venezuelan Oil to Haiti	5
Oil Facility for Belize, Haiti	6
Refinery Planned by Mexico, Venezuela	6

## BARBADOS

Briefs	
Energy Survey Results	7

## ECUADOR

Crude Export Expected To Increase 10,000 Barrels Daily (EL COMERCIO, 28 Mar 81).....	8
---	---

## PERU

Petroperu To Conduct Maritime Oil Exploration (EL COMERCIO, 4 Apr 81).....	10
---	----

## VENEZUELA

Oil Industry Maintenance Investment (EL UNIVERSAL, 4 Apr 81).....	12
--	----

## Briefs

Light Crude in Lake Maracaibo	14
Domestic Products Bought by Meneven	14
Perija District Drilling Planned	14
Lake Maracaibo Shipyard	15
Oil Port Reopens	15

## COUNTRY SECTION

### INTER-AMERICAN AFFAIRS

Manrique Terms Vatican's Proposal Deterrent to Chile's Ambitions (Rolando A. Riviere; LA PRENSA, 28 Mar 81).....	17
Commentary on Brazilian-Argentine Relations, Noninterference (Various sources, various dates).....	19
Brazil Wants Clarification	
Brazilian Position Stated	
Operation Brotherhood Explained	
Brazil Wants More Cooperation	
Security Matters Discussed	

### ARGENTINA

Bishops Meet With Relatives of Missing Persons (LA NACION, 5 May 81).....	26
Church To Offer Viola Its Conditional Support (J. Iglesias Rouco; LA PRENSA, 5 May 81).....	28
Sigaut, Economy Officials Speak to Foreign Bankers (MERCADO, 23 Apr 81).....	31
Commerce Minister Comments on Aims Outlined by Department (Carlos Garcia Martinez Interview; CLARIN, 20 Apr 81).....	37

### BARBADOS

Briefs	
Livestock Development	41

### BRAZIL

Multiparty Nationalist Front Reorganized in Sao Paulo (O ESTADO DE SAO PAULO, 28 Apr 81).....	42
Santa Catarina Governor Interviewed by 'MANCHETE' (Jorge Konder Bornhausen Interview; MANCHETE, 2 May 81).....	43



Ecclesiastical Base Committees Define Political Role (Carlos de Oliveira; FOLHA DE SAO PAULO, 25 Apr 81).....	48
Briefs	
PCdoB Call for Unity	52
CHILE	
Head of Private Arms Manufacturing Firm Interviewed (Carlos Cardoen Cornejo Interview; HOY, 29 Apr-5 May 81).....	53
COSTA RICA	
Briefs	
Exchange With Czechoslovakia	57
GRENADA	
Seamen, Port Workers Union Ignores May Day Celebration (ADVOCATE-NEWS, 1 May 81).....	58
GUATEMALA	
Briefs	
Taiwanese Businessmen Visit	60
MEXICO	
Martinez Reelected at 19th PCM Congress (Hugo Jimenez; EL SOL DE MEXICO, 16 Mar 81).....	61
Columnist Decries Proposed F-5 Purchase (Marco Castro Marin; EL SOL DE MEXICO, 17 Mar 81).....	62
USSR Prepared To Offer Technology Exchanges (Valeri M. Belosov Interview; EL DIA, 19 Mar 81).....	64
Castaneda Demands Closer Ties With East Europe (Raymundo Riva Palacio; EXCELSIOR, 13 Mar 81).....	66
Leftist Parties Oppose Deal on Undocumented Workers (Angel Soriano; EXCELSIOR, 6 Mar 81).....	68
Interest Rates Up, Public Debt Down in 1980 (J. Jesus Rangel M.; EXCELSIOR, 16 Mar 81).....	69
Wharton: Inflation Now at 'Irreversible' Stage (Maria Esther Unzuurrnzaga; EL SOL DE MEXICO, 9 Mar 81).....	71

## NICARAGUA

Minister of Interior Discusses Foreign Relations, Revolutionary Process (Tomas Borge Martinez Interview; BOHEMIA, 20-26 Apr 81).....	72
Deputy Foreign Affairs Minister Discusses Cuba, U.S. Policy (Nora Astorga Interview; EL DIARIO DE CARACAS, 31 Mar 81).....	80
Importance of UNAG's Creation Emphasized (Editorial; BARRICADA, 27 Apr 81).....	84
Labor Leaders Comment on May Day Celebrations (Jose Espinoza, Alvin Gunthrie Interview; LA PRENSA, 30 Apr 81)..	86
Political Parties Support Unity Dialogue With FSLN (Luis Rivas Leiva Interview; LA PRENSA, 3 Apr 81; EL NUEVO 3 Apr 81).....	90
PSD's Luis Rivas PLI's Robelo Herrera	
Columnist Questions Future Aid From Soviet Union (Fernando Sequiera; LA PRENSA, 28 Apr 81).....	94
Cattlemen Return From Cuban Visit (BARRICADA, 28 Apr 81).....	97
Briefs	
Soviet Peace Committee Donation	99
Miners, CONDEMINA Sign Agreement	99
Military Engineer Corps	100

## TRINIDAD AND TOBAGO

Caroni Ends Cane Growing, Farmers To Lease Land (SUNDAY ADVOCATE-NEWS, 3 May 81) .....	101
---	-----

## VENEZUELA

Esteban Rey Criticizes U.S. Policy in Latin America (Luis Esteban Rey; EL UNIVERSAL, 4 May 81).....	102
Briefs	
Marines Training in Falcon	106
PCV Presidential Candidate	106

## STUDIES REPORT OIL IS RUNNING OUT

Bogota EL TIEMPO in Spanish 25 Mar 81 p 20-A

[Article by German Navarrete]

[Text] Mexico City, 23 Mar--"If world consumption of oil and fossil fuels continues to increase after 1990 at the same rate as today, the proven reserves of oil will be exhausted in the year 2002 and the reserves of all economically recoverable fossil fuels will only last until the year 2040."

The warning of almost 300 government technicians of the continent, meeting in the Mexican Secretariat of Foreign Relations to call the attention of mankind to what they describe as "the world's advance toward an energy catastrophe," was ratified unanimously by the 37 energy ministers of Latin America who took part in the meeting preparatory to the "UN Conference on New and Renewable Sources of Energy," with approval of the total Regional Action Plan developed by the experts.

Agreement on criteria by ministers and technicians with respect to this plan will permit Latin America to present a united position at the UN conference in Nairobi, Kenya, next August, "to demonstrate to the rest of the world the urgent need to prepare mankind for its transition from oil to new and renewable energy sources which in the case of domestic rural energy could cover up to 41 percent of demand," according to the secretary general of that conference, Enrique V. Iglesias, who is also executive secretary of the Economic Commission for Latin America (ECLA).

'The Time Has Come To Open Our Eyes'

Latin American ministers and technicians agreed at all times, as they made country-by-country and overall analyses of the world energy problem, that all governments, political leaders of the international community, businessmen, workers and citizens in general "must understand that the time has come to open our eyes to reality: finite energy resources, such as oil, are being exhausted, and this is the time to establish the infrastructure which will guarantee that generations of the future will have an adequate standard of living without problems such as the rationing of energy which today is affecting many countries."

To demonstrate the accuracy of their conclusions, the 37 ministers and the 300 technicians approved unanimously and without change a statement which clearly points out:

"Any analysis of the present energy situation reaffirms the fact that we have entered a process of fundamental changes with respect to our energy base. In 1980, the world consumed about 50 billion equivalent barrels of oil in primary commercial energy of which 23 were of oil, 10 natural gas, 15 coal and 2 hydro-electric and nuclear energy."

Details in this regard was offered a few weeks ago by the World Bank in its study "Energy in Developing Countries," which agrees with the Latin American Energy Organization (OLADE) on the following figures concerning the reserves of fossil fuels the world now has:

	Equivalent billions of barrels of oil
Oil (proven reserves)	640
Gas (proven reserves)	460
Heavy oils (estimated reserves)	3,010
Shale oil (orders of magnitude)	3,264
Coal (economically and technically recoverable)	3,125
Coal (geological resources)	49,725

#### Consumption Increasing at Accelerated Rate

The World Bank, as a specialized organization of the United Nations in international economic studies, supplied the 37 energy ministers and the 300 technicians meeting in Mexico on behalf of ECLA, OLADE and CINU [UN Information Center for Colombia, Ecuador and Venezuela] with the basis for their dramatic warning when it predicted that for the decade of the '80s there would be annual increases of 2.1 percent in world consumption of oil and 3.5 percent for all fossil fuels. In light of this estimate, it is felt that if there is no change in current levels of consumption, beginning in the year 2000 the world energy crisis will be critical.

"However," the Latin American energy ministers and their advisers say, "there are three factors of great importance which would permit deferment of the crisis to be produced on the basis of the above-mentioned estimates:

"1. Reserves and resources are economic variables and not only physical quantities; they will tend to increase to the extent that prices rise, technologies advance and exploration is encouraged;

"2. There is a clear expectation that the rates of increase in primary energy will continue to be reduced, also under the influence of higher prices, and that this reduction will be achieved through greater efficiency in the production and use of energy and through positive changes in life-styles; and

"3. The role which can be forecast for new and renewable sources of energy in the world energy balance. The development and utilization of these sources could be one of the principal factors in the deferment of the energy crisis."

### Costs of Oil Devouring Developing Countries

After stating that the Latin American countries "are fully aware of and support the concept of transition, conceived as the orderly, progressive, integral and just change from an era based principally on the consumption of hydrocarbons to another era which will be able to develop and have available multiple energy sources, the ministers and technicians said:

"In the decade of the '70s, the group of developing countries, and especially those which are short on energy, were faced by a situation characterized by the rapidly increasing costs of their investment projects caused by higher prices for technology, energy, equipment and financing, among others."

As an example, the energy ministers of the continent and their advisors said finally: "Developing countries which import oil annually invested an average of \$12 billion in the production and transformation of commercial energy. In equivalent dollars (1980 dollars), they expended \$34.4 billion in 1980 for that purpose and will have to invest \$54.4 billion annually from 1981 to 1985 and \$82.2 billion annually from 1986 to 1990.

"A sample of the way in which the inflationary process which characterized the world economy during the past decade impacted upon those investments is to be found in the following data: total energy imports by Latin American countries in 1978 were \$14.5 billion higher than they would have been in terms of 1970 prices, while imports of manufactured products were \$25.3 billion higher in the same year than they would have been at 1970 prices."

8143

CSO: 3010/1119

## TRINIDAD OIL EXPLOITATION SAID TO HARM VENEZUELAN DEPOSITS

Caracas EL NACIONAL in Spanish 24 Apr 81 Sec D p 9

[Text] Yesterday, the Venezuelan expert, Leonardo Montiel Ortega, cautioned that the border exploitation being carried out by the multinationals in Trinidad is damaging the Venezuelan deposits, and hence an agreement on production should be arrived at between the two countries.

Montiel told EL NACIONAL: "A production agreement of this kind does not suit the foreign concession holders in Trinidad, and therefore they are bent on creating an atmosphere of diplomatic difficulties that will preclude the unified operation of deposits; something which, if properly interpreted, could constitute a fair distribution of the common reserves that exist on the borderline between Venezuela and Trinidad."

He then noted that, in this distribution, account should be taken of the dimensions of each country's ownership of the deposits, "but in any event, the unified operation would prevent only the Trinidad concessionary companies from enjoying (as is the case at present) the benefits of the exploitation of oil reserves which, owing to their location and geological structure, should be regarded as common.

"The fact is that the multinationals received from the Trinidad government concessions in marine and submarine areas on the boundary with Venezuela and, for over 10 years, they have maintained exploratory and productive activities in that area with far greater intensity than those carried out by our country. In this sense, the boundary area is a field of intense activity on the part of companies which are knowledgeable not only of exploratory data from Venezuela, but also of all the techniques and strategies that are used to extract from a well of their own the oil from another's reserves. In fact, so long as the companies are alone, even though they are exploiting from Trinidad territory, the imbalance and the channeling of the deposits will enable them to extract oil from our reserves which are not being exploited. For the aforementioned reason, we should not be surprised that a certain Trinidad press is being used to attack Venezuela as an expansionist country hostile to Guyana, because of the fair claim that it has to part of Esequibo, of which we were deprived by a British court which exceeded its authority, surely prompted by private colonial interests. The important thing is not to play into the hands of these multinational interests, and to identify their divisive strategies, which are aimed at causing enmity between two countries such as Venezuela and Trinidad, which have always solved their border problems as American brothers."

2909

CSO: 3010/1310



## BRIEFS

VENEZUELAN OIL TO HAITI--The Venezuelan Government may have promised to include Haiti among the beneficiaries of the agreement signed with Mexico for oil assistance to various Central American and Caribbean nations, in exchange for the Duvalier government's lending its support to the military-civilian junta that is governing El Salvador. This account was given during a ceremony of solidarity with the people of Haiti held the night before last at the Author's House by the anti-Duvalier exile forces settled in Venezuela, with the cosponsorship of the International Solidarity Committee (COSI) and the Single Workers Federation of Venezuela (CUTV). The aforementioned ceremony, at which a review was made of the critical political, economic and social situation that Haiti has suffered as a result of over 24 years of Duvalier dictatorship, is highly significant because it was the first antidictatorial event held jointly by forces representing Haitian exiles in our country. The latter are the Worker-Peasant Movement (of Social Democratic orientation), the Christian Democratic Party of Haiti, whose secretary general, Antoine Cange Abel, lives in Venezuela, and the Democratic Union of Haitian Exiles. It is noteworthy that this ceremony was attended by a group of six Haitian newspapermen recently expelled from their country, as well as a delegation of Christian Democratic exiles residing in the Dominican Republic. During the solidarity function, several personages representing political, labor union and cultural activity in Venezuela spoke, expressing their adherence to the democratic cause of the Haitian people. Speaking in this regard were Dr Jovito Villalba, top-ranking leader of URD [Democratic Republican Union]; Deputy Jose Vicente Rangel, of the New Alternative; Antonio Hernandez Fonseca, national leader of MEP [People's Electoral Movement]; Cesar Solorzano, member of the MAS [Movement for Socialism] National Directorate; Hernan Carrera, representing PCV [Communist Party of Venezuela]; Eumelia Hernandez, member of the CUTV Executive Committee; Victor Bravo, president of COSI; and Gonzalo Gonzalez, president of the Federation of University Centers. A message from GAR [Revolutionary Action Groups] was also read, and greetings were heard from a representative of the AD [Democratic Action] youth to the Federation of University Centers [FCU]. The Theater Group for Workers put on a performance associated with the Haitian people's long struggle against the dictatorship. [Text] [Caracas EL NACIONAL in Spanish 24 Apr 81 Sec D p 18] 2909

OIL FACILITY FOR BELIZE, HAITI--Mexico City, 7 Apr (VEN RES)--Venezuelan Minister Humberto Calderon Berti announced here today that the energy cooperation agreement sponsored by Mexico and Venezuela to supply petroleum and financing in the Caribbean and Central American area will definitely be extended to Belize and Haiti. Calderon Berti confirmed that Venezuela will supply 50 percent of Belize's imminent petroleum requirements starting next September, when that country achieves its independence. [Text] [Caracas EL NACIONAL in Spanish 8 Apr 81 p 1] 8735

REFINERY PLANNED BY MEXICO, VENEZUELA--Mexico City, 7 Apr--Venezuelan Energy and Mines Minister Humberto Calderon Berti announced here today that the Governments of Venezuela and Mexico will order feasibility studies for the installation of a refinery in Central America or the Caribbean. Calderon Berti made the announcement during a speech at the Mexican Petroleum Institute at the close of a meeting to evaluate the Energy Cooperation Program for Central America and the Caribbean, attended by the presidents of Venezuela and Mexico, Luis Herrera Campins and Jose Lopez Portillo. He said that during the 2 days of conversations with the Mexican Government, requests were analyzed and discussed from countries which have not benefited from the Central American and Caribbean Petroleum Agreement, but which believe they have been deserving of such benefit. [Text] [Caracas EL UNIVERSAL in Spanish 8 Apr 81 p 1] 8735

CSO: 3010/1182



## BRIEFS

ENERGY SURVEY RESULTS--The Ministry of Trade and Industry has recently completed an Energy Conservation Survey in the Tourism and Commercial Sector as part of the ongoing National Energy Assessment. "This survey constitutes a major milestone in the Assessment, marking the beginning of intensive conservation studies, as well as continuation of the Government's effort to assist the private sector reduce their energy costs," a Ministry's spokesman said yesterday. The survey was accomplished with the assistance of visiting energy conservation specialists, Mr Eaton Houghton and Mr Cleon Rowe. The National Energy Assessment has also recently initiated an Industrial Energy Conservation Survey and expects this to be completed next week. Both conservation surveys have identified numerous opportunities for the private sector and Government to take action to reduce energy use. Many of these actions require little time, and modest investment, involving for example, changes in the use and control of lighting and air-conditioning, adjustment and maintenance of boilers, capturing of waste-heat now being lost, and expanded use of solar hot water heating. [Excerpt] [Bridgetown ADVOCATE-NEWS in English 1 May 81 p 2]

ESC. 3025

## CRUDE EXPORT EXPECTED TO INCREASE 10,000 BARRELS DAILY

Quito EL COMERCIO in Spanish 28 Mar 81 p 7

[Text] (ECUADORADIO)--Cesar Robalino, minister of natural and energy resources, announced today that exports of crude oil will increase 10,000 barrels a day this year. Therefore, daily sales which reached 99,000 barrels a day during 1980 will increase in 1981 to 110,000.

Consequently, he added, income will increase, considering the present position of oil prices in the international market.

Were this forecast to come true, the country would receive from sales of crude approximately 1 million sucres more per day than the previous year.

This figure results from multiplying the 10,000 additional barrels mentioned by the minister by \$40, which, according to calculations made by the minister of finance late last year, will be the average price of oil in 1981.

The minister of natural resources said that the increase in exportable volume will be possible because domestic demand will decrease noticeably due to the hike in the price of petroleum derivatives on the domestic market.

Robalino said that during this first month we have been successful, referring to the effect that the new prices of derivatives have had.

He is sure that, compared with 1980, there will be a shrinking demand this year, a situation which will free a volume of crude for exports.

That fact is highly beneficial for the country, for the more oil we export, the more dynamic the development of our country will be, he said.

Robalino pointed out that one of the government's basic objectives in moving the price structure of fuels was to cause a decrease in domestic demand.

He recalled that the volume of oil exports has been decreasing during the last few years and warned that, if this tendency continues, the country will be on the road to disaster.

He noted that in 1975 the country exported 150,000 barrels a day, while in 1980 it exported only 99,000 barrels per day.

The duty of a responsible government is to stop the increase of fuel demand at all cost, because oil reserves must last the longest possible time so as to maintain and finance the standard of living of the common man, Robalino added.

The minister of natural resources revealed also that our country is trying to set up an OPEC ministers conference for this coming May with the aim of revising the prices of crude.

If this conference is held, the Ecuadorean position will be that it is necessary to increase prices of crude, Robalino said.

He added that the increase must be made according to the different types of exchanges existing in the international market and, basically, the future devaluation of the American dollar.

He added that another factor to be considered in any possible hike in prices is world inflation.

If we do not act in this way at OPEC, the dollars that we receive for oil will lose buying power at the international level, the minister of natural resources concluded.

9341

CSO: 3010/1171

## PETROPERU TO CONDUCT MARITIME OIL EXPLORATION

Lima EL COMERCIO in Spanish 4 Apr 81 p 1

[Text] In an area encompassing 10 million hectares of the continental platform, PETROPERU for the first time will make a high-precision seismographic exploration which will help determine the oil potential of the continental shelf.

The area to be closely studied lies between 6° and 14° south latitude; that is, from Bayovar in Piura to Ica, approximately.

Approximately 6,200 km of maritime seismic cables will be laid and scanned in that area.

The program will be developed as soon as the important loan of \$5.3 million recently granted by the IDB is channeled. This loan will be paid back in 20 years at a 2 percent annual rate of interest.

At the completion of the study, PETROPERU will know which are the most attractive lots for oil exploration and will be able to exploit these either directly or in association with other consortia or enterprises.

After many years of concentrating its efforts on the exploration and exploitation of oil in the jungle, PETROPERU is turning its attention to the continental shelf's probable oil potential, which will be a determining factor in the policy to be adopted by the state enterprise, it was learned.

The increase of production from 72,000 barrels per day in 1975 to 210,000 barrels in 1980 made Peru self-sufficient; however, the opinion of the experts is that if an intensive program of exploration is not developed, the country runs the risk of becoming an importer of crude between 1983 and 1984.

Studies of the continental shelf have been carried out in Peru since 1973, but at that time the seismographic exploration did not include a detailed analysis of the areas in operation.

Since that year, 37,240 kilometers of seismic cables have been laid, of which 13,000 were registered by PETROPERU in depths of up to 1,200 meters between 1973 and 1975.

However, those studies were considered insufficient, and it was determined to carry out this new identification of structures which could potentially yield oil.

Though the exact date when the exploration will start is unknown, work should begin soon and continue for approximately 18 months.

9341

CSO: 3010/1171

## OIL INDUSTRY MAINTENANCE INVESTMENT

Caracas EL UNIVERSAL in Spanish 4 Apr 81 Sec 2 p 9

[Text] This amount represents one-third of the 13.4 billion bolivars in the operations budget of the petroleum industry.

One out of every three workers in the petroleum sector works in maintenance.

The Venezuelan petroleum industry gives great importance to the maintenance of wells, equipment and installations, so much so that in 1980 it devoted one-third of its budget to operations of this kind, i.e., 4.1 billion bolivars out of a total of 13.4 billion bolivars.

This point was made by engineer Francisco Ferri, LAGOVEN's maintenance and construction superintendent for its western division, referring to the maintenance week to be held by OPEC in Caracas from 3-9 May.

To further emphasize the scope of this task, he cited the following ratio: approximately 30 percent of the industry's personnel have maintenance duties, or one out of every three workers is in maintenance.

This ratio, the LAGOVEN executive explained, will increase as time goes on due to several factors: automation, which reduces the cost of direct labor but increases the complexity of the equipment, resulting, in turn, in more qualified, highly trained personnel; the increased inventory of spare parts as a result of automation, and the increase of production goals.

"Control of the aforementioned factors makes maintenance operations in our industry ever more complex, and their administration becomes a challenge to management," said Ferri.

For example, he indicated, the entire petroleum program--exploration, production, refining, marketing and transportation of crude and refined products--is a continuous operation requiring a constant and harmonious effort, mainly for the purpose of guaranteeing the production goals required by the country. Maintenance plays a basic role within this framework.

To illustrate this, LAGOVEN's western division construction and maintenance superintendent pointed to his own area, where the firm decided to divide the operational

structure into three basic functions: operation, maintenance and technical tasks, each acting together as a team under management at the same hierarchical levels.

Ferri discussed the three functions, then argued that maintenance work cannot be conceived in an isolated way, but rather, is closely linked to the others.

The operational function, he explained, has definite goals and preestablished objectives in the petroleum industry: daily production, well-drilling, the treatment of crude, gas injection, etc.

"The maintenance function, in turn, has a series of responsibilities: to ensure the operability of the installations and equipment; to preserve their value, and to achieve those objectives at the lowest possible cost."

As for the technical function, he indicated that this includes all engineering activities which serve in an advisory capacity to operations and maintenance.

In the petroleum industry, Ferri emphasized, great importance is given to preventive maintenance, since it reduces maintenance costs themselves and increases the dependability of the equipment.

"In LAGOVEN we define the function of preventive maintenance as the programmed activity initiated independently of the actual condition of the equipment and of the obvious need for repairs. It consists basically of a program of inspections with the frequency required by each piece of equipment to evaluate its operating condition."

It is maintenance of equipment and installations, he emphasized, which permits the petroleum industry to operate with its well-known efficiency.

8735

CSO: 3010/1182



## BRIEFS

**LIGHT CRUDE IN LAKE MARACAIBO**--Maracaibo, 6 Apr--LAGOVEN has just announced discovery of its first deposit of condensate in parts of Lake Maracaibo. This is the Ambrosio-159 well, which in preliminary tests indicated a daily production of 550 barrels of API [expansion unknown] grade 46 crude and some 13 million cubic feet of gas. The petroleum in that deposit is extremely light, according to appraisals made by technicians of that PETROVEN [Venezuelan Petroleum, Inc.] affiliate made known by Fredy Chiquito, manager of the petroleum firm's Western Division Geology Organization. Chiquito added that this well is located some 10 kilometers west of the Ambrosio, Cabimas, area, very close to the lake's navigation channel. It is 16,370 feet deep and is in cretaceous layer 34. One hundred thirty-eight days were required to complete it, and gas reserves discovered in Ambrosio-159 are approximately 11 billion cubic feet. [Text] [Caracas EL UNIVERSAL in Spanish 7 Apr 81 p 1] 8735

**DOMESTIC PRODUCTS BOUGHT BY MENEVEN**--Four hundred forty-two million bolivars were invested by MENEVEN in the local purchase of domestic products in 1980, making it one of the petroleum industry's operators with the greatest volume of purchases in this category. This was revealed today by Venezuelan Petroleum, Inc., in a report on its operations in this area, which represented a total investment in local purchases of 716 million bolivars in 1980. Of this figure, 442 million bolivars were for products made within the country, and 274 million bolivars were for imported products purchased locally. MENEVEN emphasized that it only purchases outside the country those products which are not made here or which are not purchased because of their complexity or technology. The firm also emphasized that it maintains constant contact with other operators through a liaison committee which functions in Venezuelan Petroleum, Inc., where problems are studied and necessary solutions adopted concerning the purchase of materials, in order to rationalize purchases and assist in the development of national industry. An evaluation committee also functions jointly with INTEVEP [Venezuelan Institute of Petroleum Technology] and COVENIN [Venezuelan Council for Industrial Standards] to control the quality of materials acquired by the petroleum industry and to advise the manufacturers when they have technical problems. By its increased local purchases, MENEVEN is contributing to the development of national industry. [Text] [Caracas EL UNIVEPSAL in Spanish 4 Apr 81 Sec 2 p 5] 8735

**PERIJA DISTRICT DRILLING PLANNED**--Cabimas, 7 Apr (INNAC)--LAGOVEN proposes to drill 11 wells this year in the Perija District, concentrating its efforts to find new reserves in the Alturistas locality, where eight of the 11 wells are planned. According to a public relations bulletin released by LAGOVEN, the other three wells



will be located in San Julian, San Jose and Machiques, and the bulletin adds that to date LAGOVEN has drilled eight exploratory wells in that district, with highly satisfactory results, although it is not yet possible to predict the region's maximum production potential. The wells drilled to date by the firm in Perija have been aimed at the limestone area of the cretaceous layer, and some of these have produced substantial quantities of crude and light petroleum of API grades 32 and 33. [Text] [Caracas EL UNIVERSAL in Spanish 8 Apr 81 Sec 2 p 26] 8735

LAKE MARACAIBO SHIPYARD--LAGOVEN is building a new shipyard for its central shops at La Salina, on the eastern shore of the lake, for the purpose of starting in 1984 to meet not only the growing demand for maintenance and repair of its floating units (barges, tugboats, etc.) but also that of the other subsidiaries of Venezuelan Petroleum, Inc. This information, as well as many details concerning the work being done by LAGOVEN on the maintenance of the floating units that it owns on Lake Maracaibo, will be explained by engineers German Boscan and Francisco Ferri, reporters at the OPEC Technical Maintenance Seminar, an international conference that will gather over 300 experts on the subject from 3 to 9 May in Caracas. LAGOVEN performs the general maintenance of the equipment, machinery and floating units of the operating areas in the western part of the country at its central shops in La Salina. In their report, Boscan and Ferri explain: "Our floating units on Lake Maracaibo are given general repairs in these central shops. When this type of work is done, the unit must remain for a considerable period of time in drydock, an area providing the necessary facilities for reconditioning the hull and the deck, which limits the number of units that can be given general maintenance per year." Taking that factor and the period of stay for the units in drydock into consideration, engineers Boscan and Ferri conducted an investigation of the procedures used to repair the hulls of each floating unit, for the purpose of reducing the time spent on these processes. One of their first observations is that a productivity control index must be implemented, in order to achieve greater control over the repairs and to determine more exactly the planning and delivery dates for the units. They also determined that the stay of a barge in drydock could be reduced if the procedure used to weld the internal compartments and the external hull were changed. The LAGOVEN engineers estimate that, with the establishment of the productivity control index, the repair time for the floating units would decrease considerably, as they explain in detail in their report in which they also describe new welding processes and make a series of recommendations. [Text] [Caracas EL UNIVERSAL in Spanish 26 Apr 81 Sec 1 p 26] 2909

OIL PORT REOPENS--Caripito, 23 April--The river port on the shores of the San Juan Channel has been restored to life again, increasing its activities involving the loading and unloading of oil and refined products. "And as in its good times of prominence, this terminal at San Juan is showing a record of activity that is extremely encouraging," remarked petroleum engineer Eleonor Leon Fermin, a Margarita native who is heading the expansion work being done here now to cope with the revival of the terminal. The official figures supplied at the LAGOVEN Marine entity here indicate that, "The return of this terminal to life has been something incredible. During the last peak month, February, alone we had 14 ships in operation here." And the statistics then probe into the total decline of the oil industry in the area. "Twelve ships were loaded with oil and two carried refined products." Ernesto

Guerrero, the veteran harbor master, stated: "During that month, we shipped and received 2 million barrels; and 350,000 barrels consisted of refined products coming from Aruba and Amuay." For at least 20 years, there had not been such a high record of operations here. It is a rebirth. [Text] [Caracas EL NACIONAL in Spanish 24 Apr 81 Sec D p 9] 2909

CSO: 3010/1310

## MANRIQUE TERMS VATICAN'S PROPOSAL DETERRENT TO CHILE'S AMBITIONS

Buenos Aires LA PRENSA in Spanish 28 Mar 81 pp 1, 14

[Article by Rolando A. Riviere, LA NACION correspondent in Rome: "Deterrent to the Chilean Plan To Reach the Atlantic"]

[Text] Francisco Guillermo Manrique, president of the Federal Party of this country, had a lengthy discussion a few days ago with a friend of 30 years standing, Cardinal Antonio Samore, the mediator in the dispute over the southern region. While observers await the next move by the Vatican in the conflict, it is useful to relate, in practically verbatim fashion, what he confided to this correspondent.

The political leader said: "In view of the poor and confusing information available on the Beagle Channel question in this country, and in order to avoid committing errors that some would like to exploit, I turned to the ultimate source in order to exchange opinions with my good friend of many years, Cardinal Samore." Manrique was reluctant to go into detail but nevertheless stated that the Pope's promise of assistance in preparing a treaty of integration with Chile, together with his promise to support its implementation, demonstrates the wisdom and vision of the pontiff."

## Sea Frontier

"The fact is," he explained, "that although Argentine aspirations have not been completely realized, the Vatican proposal outlines a coastal frontier that puts an end to any idea by Chile of advancing further toward the Atlantic, creates the need for an understanding between both countries in the southern maritime area, which includes the "sea of peace," and puts a stop to the disputes over the terrestrial and maritime areas of the archipelago." Manrique was without doubt referring to the line that starts to the east of Isla Nueva and runs south past the islands of Evout, Barnevelt, and Hermes, comprising, in the opinion of the Vatican, a sort of retaining wall.

"It is evident," he added, "that the goal of the Pope has been peace, and his solution in this respect has been correct, although we Argentines regret the loss of supposed sovereignty over certain islands. The mediation has positively distinguished between sovereign maritime areas, jurisdictional maritime areas, and maritime areas belonging to all, although from preliminary analysis it would

appear to create jurisdictional or usage questions with Chile within what is called the "sea of peace."

#### Gray Areas

Manrique, in the wake of his lengthy discussion with Samore, went on to say that "following the establishment of the terrestrial and maritime 'retaining wall' against the nationalistic aspirations of both nations, it is possible that the mediation will be accepted, with the proviso that during the negotiations on the appropriate treaty the gray areas that supposedly exist be clarified."

Manrique, who handed Cardinal Samore a party statement on the results of the papal mediation, said that "although the government may be imprudent in refusing to consult with the various forces making up the Argentine nation, the Federal Party supports its difficult decision regarding an inherited problem which must be settled once and for all. The Federal Party demands that the results of the papal mediation be accepted as the cornerstone for a stronger, permanent, and complete union with Chile in a southern pact that would bring honor to our generation. We look at the big picture; let us not let the narrower concept confuse us, although feelings may be hurt; let us see the magnitude of the human advantages and yes, why not--our responsibility from now on in the archipelago, where we have only one mediator left, Great Britain."

Without passing judgment, it can be supposed that the words of Manrique include a good portion of the opinion held by the Holy See, as reflected by Cardinal Samore.

9015

CSO: 3010/1078

## COMMENTARY ON BRAZILIAN-ARGENTINE RELATIONS, NONINTERFERENCE

## Brazil Wants Clarification

Buenos Aires LA PRENSA in Spanish 25 Apr 81 pp 1, 3

[Text] Brasilia, 24 April (EFE)--The current Brazilian defense policy based on the principle of nonintervention in the domestic affairs of other countries will be respected "to the final consequences."

This statement was made to the EFE news agency today by the official spokesman for the Itamaraty Palace, Bernardo Perices, who stressed that this is one of the points being clarified by the Brazilian army minister, Gen Walte Pires, in the course of his current official visit to Argentina.

Unofficial sources said that the army minister was to explain to his Argentine colleagues Brazil's firm position to the effect that Latin American dialogue and the processes of redemocratization in course "cannot be subject to any kind of interference."

## Policy Toward Washington

These sources indicated that with the installation of the new Argentine president, Gen Roberto Viola, "some things will have to be clarified." They went on to mention the declared support of this neighboring country of U.S. President Ronald Reagan's policy concerning El Salvador.

The policy of the new Argentine government with regard to Washington "needs some clarification," these sources reiterated. They mentioned by way of an example the support evidenced by General Viola in the United States for a "South Atlantic defense pact," which caused some surprise and irritation in Brasilia, because "it goes against the guidelines of the foreign policy of this country."

## Africa

The statements made by General Viola in Washington produced the impression here that the Argentine government does not share Brazil's African policy.

According to military sources in Brasilia, the Argentines still believe that the relations between the two countries require a military balance, which in the judgment of this country is currently "unfavorable to Argentina." However, they stress that "there is no desire for hegemony on the part of Brazil."

## Presidential Interview

The spokesman for the Itamaraty Palace, Bernardo Pericás, said for his part that the Argentine foreign minister, Oscar Camillón, indicated prior to leaving Brasília, where he was serving as his country's ambassador, that "the first meeting with a foreign head of state sought by Viola was that with President João Baptista Figueiredo."

The Itamaraty Palace then proposed a frontier meeting, to which Argentina immediately agreed, and the talks between the two chiefs of state were scheduled for 26 May in the Argentine city of Paso de los Libres.

Meanwhile, the Brazilian Foreign Ministry hopes that during the talks between the two presidents three important points will be clarified: defense of the South Atlantic, support of intervention in the countries in the region, and the "Third World" issues in the North-South dialog.

## Brazilian Position Stated

Rio de Janeiro O GLOBO in Portuguese 23 Apr 81 p 5

[Text] Buenos Aires--The Brazilian army minister, Gen Walter Pires, stated yesterday on his arrival in this capital city that Brazil's position calls for respect for the self-determination of peoples and opposes intervention in the domestic affairs of nations.

"Brazil," Walter Pires went on to say, "has no hegemonic ambitions, and its historical position on the international scene is characterized by a search for understanding and cooperation."

## Conflicts

"We participated in two world wars," he said, "based on the ideal of peace, self-determination for the peoples and cooperation. Throughout our history, we have always been free of any hegemonic ambitions, and have favored cooperation."

The army minister said that "Brazil defends peace and supports the countries in the process of development which are seeking to overcome their problems through just treatment in the international economic order."

## Exchange

Walter Pires stressed "the military exchange pursued by Brazil and Argentina, which has made possible the training of Brazilian officers in Argentine institutions and Argentine officers in those of Brazil."

"This trip of ours," he said, "is a part of that exchange. It is a courtesy visit, and there are no plans for signing agreements, for the most important thing is understanding."

The general stressed "the importance of the visits paid by President Figueiredo to Buenos Aires and by former president Jorge Videla to Brasília in terms of consolidating the understanding between Brazil and Argentina."



Based on the visits paid by the president, he said, "the relations between the two nations developed naturally in the search for joint solutions along with the other Latin American countries. We favor integration, cooperation and understanding, consistent with a policy for nations which have similar ideals and problems."

#### Military Cooperation

Walter Pires defended the exchange between Argentina and Brazil in all sectors, offering cooperation even in the war materiel and missile technology development sectors, "because this will strengthen the armed forces of Latin America, even in the event of a world conflict."

"In the area of training, too," the minister said, "because cooperation among the Latin American nations can only prove advantageous to all. The exchange with Argentina and the other countries in this hemisphere should be increasingly strengthened in the advance toward the consolidation of democracy in our countries. Great affinities link the Latin American countries, and where Brazil is concerned, President Figueiredo's hand is extended to all the peoples of Latin America."

"This visit of mine to Buenos Aires," he went on to say, "is another evidence of fraternity, which we make a point of maintaining with all the peoples of Latin America, through the strengthening of the bonds of friendship which exist between the other Latin American nations and Brazil. We are united, from our origins to our common goals and the identity of our thinking."

Walter Pires said that he believes that the armies of Brazil and Argentina, as well as the other armies in Latin America, "have an important role to play in the security of the Southern Hemisphere," stressing the following:

"In the recent past, both the Brazilian army and the Argentine army have played similar roles in their countries in the security of both countries with a view to the maintenance of democracy."

#### Terrorism

Gen Walter Pires said that "the evidences of terrorism, whatever their source, will not prevent the pursuit of President Joao Figueiredo's democratic project."

"Terrorism," he added, "is a manifestation of a minority incapable of accepting the principles of peace, respect for laws and the decision not to allow violence as a factor in persuasion."

The minister said that "Brazilians have good reason to believe in the democratic commitment of the president of the republic."

"This commitment," he said, "has been reiterated a number of times by the supreme commander of the armed forces himself, within the concept of liberty and the principles of the 1964 revolution."

"What we regret," he went on to say, "is that there has not always been the necessary understanding on the part of individuals who prefer to use pessimism as a technique in rhetoric."

The general stressed that "President Joao Figueiredo has united support for the natural development of the democratic process."

"The army, united and faithful to its constitutional mission," the minister concluded, "does not falter in its support of the supreme commander of the armed forces. A part of the Brazilian people, the armed forces remain loyal to the principles underlying the democratic traditions of the Brazilian nation."

#### Schedule

The Brazilian minister is scheduled to meet with President Roberto Viola, the commander in chief of the navy, Admiral Armando Lambruschini, and the commander in chief of the air force, Brig Gen Omar Graffigna. Pires was welcomed at the airport by the Argentine army commander, Gen Leopoldo Galtieri.

Walter Pires, who will spend two days vacationing in San Carlos de Bariloche, said that "the security of the hemisphere is a joint task" and that "this security will benefit not only Brazil and Argentina, but the hemisphere as a whole."

The Brazilian minister is accompanied by his wife and his chief of staff, Gen Sergio de Ary Pires.

#### Substitute

President Joao Figueiredo appointed Gen Ernani Ayrosa da Silva, chief of the army general staff, to replace Minister Walter Pires during his visit to Argentina.

#### Operation Brotherhood Explained

Rio de Janeiro O GLOBO in Portuguese 19 Apr 81 p 4

[Text] Brasilia--Admiral Maximiano Fonseca, the naval minister, confirmed yesterday that Operation Brotherhood, in which the navies of Brazil and Argentina will participate, will be held this year.

He added that the "operation will be yet another opportunity to improve naval training in an atmosphere of brotherhood with our Argentine comrades, in an exchange which has made the deepening of relations between the two countries possible."

#### High Level

The minister expressed the view that "the level of the relations between Brazil and Argentina, making cooperation beneficial to both possible, is very high."

In the opinion of Admiral Maximiano, the most important thing for Brazil and Argentina is "to have a relationship serving the interests of both countries, rather than a pact, which does not exist and has not been and is not being planned."

Operation Brotherhood will bring together Brazilian and Argentine officers and warships, including destroyers, submarines and frigates. The initial plans call for training exercises in Brazilian territorial waters.



## Understanding

The chief of the naval general staff, Admiral Roberto Andersen Cavalcanti, stressed "the understanding existing between Brazil and Argentina, which has been very positive, making a close exchange between the two possible." The admiral said that the understanding between Brazil and Argentina had never before reached a level as high as at present.

The admiral made special mention of "the situation of the former Argentine ambassador to Brazil, now foreign minister of his country, Oscar Comilión, who worked toward the consolidation of this Brazilian-Argentine understanding."

From the point of view of naval exchange, Admiral Andersen stressed Operation Brotherhood, but without describing the military relationship only in terms of the training which will be carried out this year by the navies of the two countries.

"Generally speaking," he said, "the naval exchange between Brazil and Argentina has always been good, based on cooperation, an exchange of information and a constant closeness."

## Good Will

The head of the General Services Department of the Ministry of Army, Gen Ruy de Paula Couto, said that "there has always been high-level military exchange between Brazil and Argentina, because there is a decisive will on the part of both for understanding, good will."

"Brazil and Argentina are traditional allies. The military exchange between the two has always been good, and there is no reason it should not be thus. There has always been a real atmosphere of cordiality in this exchange, enabling the two countries to open their military schools to contribute to this exchange," the general added.

## Aircraft Industry

In the aircraft industry sector, there have been negotiations between the Argentines and the Brazilians with a view to developing an exchange.

Brig Gen Leonardo Collares, who until recently was head of the air force general staff, has traveled to Buenos Aires, as has the president of the ENBRAER [Brazilian Aeronautics Company], Col Osires Silva.

The director of the Space Activities Institute (IAE), Brig Gen Hugo de Oliveira Piva, has also visited Argentina, and has said that he believes "cooperation between Brazil and Argentina viable, even in the area of rockets and propellants," one of the most secret, in terms of technological access, mainly in the countries which have already reached a more advanced stage in this type of technology.

## Brazil Wants More Cooperation

Rio de Janeiro O GLOBO in Portuguese 16 Apr 81 p 3

[Excerpts] Brasilia--Gen Danilo Venturini, who is minister and chief of the military household of the presidency, said yesterday at army headquarters that Brazil's goal in its relations with Argentina "is to develop cooperation on all levels."

In an interview following the ceremony at which the new brigadier generals were presented with their swords, Venturini said that Brazil wants, while Gen Roberto Viola is in office, "to pursue the policy of understanding with Argentina developed under the government of Gen Jorge Videla."

#### Democracy

The chief of the military household stated that President Figueiredo's comment that "a democracy with difficulties is better than a progressive dictatorship" represents "a reaffirmation of his intention to seek the democratic improvement of the country."

"Democracy," Venturini said, "is still the best means of promoting the common good."

The minister and chief of the military household stated further that no study or draft for the amendment of the national security law has reached the National Security Council as yet.

"This is a matter in which the government must decide if a study is called for or not. It depends on a government decision, the adoption of a policy in this connection," the minister stressed.

#### Security Matters Discussed

Buenos Aires LA NACION in Spanish 24 Apr 81 p 16

[Text] The commander in chief of the army, Lt Gen Leopoldo Fortunato Galtieri, presented awards last night to the members of the Brazilian military mission visiting us, which will remain in Argentina until next Monday.

The visiting minister met with Lieutenant General Galtieri at noon and then lunched in the premises of the army command.

#### Agenda

On that occasion, matters pertaining to continental security and Marxist infiltration in Central America were reportedly discussed. It was also reported that their talks did not cover the subject of the Bolivian institutional situation. Relations with the USSR are also said to have been analyzed, and the Argentine position on the problem of boundaries in the south was set forth.

#### Ceremony

In the evening, the awards ceremony took place in the Hall of Honor at the San Martin Liberator Building. The head of the Brazilian mission, as we noted, was awarded the Order of May for Military Merit, Grand Cross; his chief of staff, Gen Sergio de Ary Pires, was awarded the Order of May, Grand Officer; Col Francisco de Assis Costa de Mendonca, an assistant secretary, received the same award, degree of Commander; and Col Amaury Sa Freire de Lima, assistant secretary, who had received an award on a previous occasion, was awarded the Army Commander in Chief Medal.

#### Statement by General Galtieri

In presenting the visiting minister with his award, Lieutenant General Galtieri expressed the "conviction that this open and brotherly dialogue between the two forces

represents an imperative of the times and the best way of contributing to the rapprochement, understanding and cooperation between all peoples." He also voiced "the satisfaction it gives me to see how far we have progressed on this common path."

He went on to add that "there are not and will not be" any barriers to dialog and integration, and that the geographic proximity of the two countries entails bonds of unity which extend to all fields of interest. He said that the present times "bring us closer together and demand of the present generation their frank and sincere pursuit."

#### Common Enemy

He said that the two nations, like many others, confront a common enemy and challenge.

He noted that the enemy, "repelled in timely fashion and definitively defeated by the armed forces of our nations, by the grace of God, is regrettably devastating others on the continent today."

As to the challenge, he said that it involves "creating the conditions so that our people can achieve the level of development they deserve as soon as possible and so that our nations can achieve the noble destiny to which they are called."

#### Pledge

He then said that "this complex continental reality, the ideals of liberty inherited from our predecessors, represent a pledge which we fully assume. Therefore," he added, "the Argentine army, faithful interpreter of the people who nourish it and whom it serves, wishes to reiterate its permanent commitment to the American cause and its unvarying understanding and support of those brotherly peoples on this continent who are today the target of foreign aggression against our common roots."

#### Brazilian General's Statement

In expressing his thanks for the awards presented, Gen Walter Pires de Carvalho e Albuquerque, the Brazilian army minister, said that the two countries have a common ethical-cultural heritage "which derives from our Iberian and Christian origins, our similar historical development, the moral and spiritual values we share, the spirit of nationalism and liberty, the exaltation of the family, the Christian faith and the fatherland, and the humanist and peaceful nature of our people, feelings which lead us to have similar ideals and aspirations."

He then went on to recall the liberation campaigns of San Martin, and he said that the two countries faced common challenges. "It falls to us," he went on to say, "to carry out the tremendous task of national consolidation, economic development--despite the world energy crisis and very often unjust treatment in trade exchange--development of the social balance in the face of adverse factors, and above all, maintenance of the cultural identity, the values and the basic convictions of our peoples."

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CSO: 6010/1255

3001/182

**BISHOPS MEET WITH RELATIVES OF MISSING PERSONS**

Buenos Aires LA NACION in Spanish 5 May 81 p 11

[Text] The Plenary Assembly of the Argentine Episcopate opened yesterday at Casa Maria Auxiliadora in San Miguel. The main topics on its agenda are consideration of the first draft of a pastoral document, expansion of the previous document "Dialogue, Gospel and Society," and youth as a pastoral priority for the current year. During the meeting, delegations of bishops spoke with the mothers and relatives of arrested and missing persons.

Though the bishops allegedly intend to approve the first draft, the possibility has not been ruled out that the assembly will not last long enough to introduce the amendments considered necessary, given the broad scope of the issue and the "necessary and understandable differences among the bishops," Church circles said. In that event, the first draft would be left as is or with possible modifications, for further study. In any case, Church circles assert that no declaration to replace the document, even provisionally, is envisioned, although the possibility cannot be completely ruled out.

**The Document**

The decision to draw up the document was made during the meeting of the Standing Committee of the Episcopate last August. Later on, the organization's last Plenary Assembly approved the outline and entrusted the drafting of the document to a committee comprising the members of the Episcopal Theology Team, headed by the bishop of Moron, Monsignor Justo Oscar Laguna, and the auxiliary bishops of Cordoba and La Plata and the bishop of Zarate-Campana, Monsignors Estanislao Karlic, Octavio N. Derisi and Alfredo M. Esposito Castro, respectively.

With regard to the content of the document, it was intended from the beginning to be a more in-depth and wideranging version of the aforementioned study and, at the same time, a second part, inasmuch as it would address issues that had not been analyzed previously. Moreover, Church circles assert that the purpose of the document is not to apply the Puebla declaration to Argentina. The Puebla document is simply being used in the same way as so many other Church statements, they contend.

With regard to youth as a pastoral priority, the bishops on the special team that was appointed to study a draft pastoral on young people will report on this topic. They include, among others, the bishops of Rafaela and Santa Rosa, Monsignors Jorge Casareto and Adolfo Arana, respectively. After the proposals are given consideration, a committee of bishops will be selected to put them into practice.

#### Mothers Gather in May Square

Many of the mothers and relatives of missing persons and individuals arrested for alleged subversive activities gathered at Casa Maria Auxiliadora yesterday and asked the Plenary Assembly to meet with a delegation representing them. They repeatedly asserted that they would not leave until their demand was met and were thus prepared to spend a night of vigil and prayer there. Many of the mothers said that they intended to ask the Church to take "action" on the issue of the missing and arrested persons, such as "excommunications" or the "closure of churches" for a day.

The Plenary Assembly decided that the mothers should be formally received by bishops appointed for this specific purpose. The mothers met in the morning with the bishops of Rio Gallegos and Mar del Plata, Monsignors Miguel Angel Aleman and Romulo Garcia, respectively. At about 1700 hours, they were received by the first and second vice presidents of the Episcopate, Monsignors Vicente Zazpe and Jorge Lopez. Finally, once the assembly's deliberations had concluded, another two bishops met that night with the mothers and relatives of missing and arrested persons.

8743

CSO: 3010/1318



## CHURCH TO OFFER VIOLA ITS CONDITIONAL SUPPORT

Buenos Aires LA PRENSA in Spanish 5 May 81 pp 1, 8

[Article by J. Iglesias Rouco: "Church Supports Political 'Involvement'"]

[Text] The soon-to-be-released document of the Argentine Episcopal Conference will contain a strong, though not express, signal to the military regime in connection with the "judicial order" and the people's right to be "involved" in the political and social spheres. The document will also reaffirm the principle of freedom.

According to my sources, one of the three major sections in the doctrinal declaration that the assembly of bishops will release at the close of the meeting that began yesterday in San Miguel, will say more or less the following:

"Throughout the entire material world, only man is aware of his existence, has a knowledge of things and is free to transform and humanize things and himself."

It is this section, devoted to "human rights" and the "judicial order," that will develop the notion of the people's "involvement" in politics, although the text might not expressly use that term. A bishop told me yesterday that in any case it will be the "principle of involvement" that will guide future Church action regarding politics, inasmuch as that principle, he said, today represents the core of John Paul II's patent concern in this regard.

For this and other reasons, the more than 80-page episcopal document will doubtless turn out to be the most important one that the local Church has issued over the last decade. It is still not known whether it will be published immediately after the Plenary Assembly (within 6 days) or whether the bishops will take additional time to "reconcile" or fit in the numerous proposals and amendments that many prelates would like to introduce into the original version. As of yesterday, however, the declaration ("almost an encyclical," I was told) was expected to be released early next week.

## Three Sections

As far as I know, the document will be divided into three sections. In the first part, which is essentially historic, the assembly will review the Church's presence and accomplishments in the country since the colonial period,

as well as the problems that it has had to "overcome." This is an attempt to include a general overview on which to base the second section, which deals with doctrine. It will outline the moral duties and rights of the "individual as a divine goal," including, in addition to "involvement," the right to religious freedom, to ownership (the means of production included), to culture and to individual guarantees from the State.

As of yesterday, a decision had apparently not been made as to whether the document would deal directly with the problem of missing persons. According to certain groups, the original text, prepared by Bishops Laguna, Derisi, Giaquinta, Karlisc and Esposito, makes no express mention of the issue, but some prelates want this included. Others contend that although "detailed mention" is not made of it, there are quite clear "references" to the issue, as Monsignor de Nevares yesterday told a large group of mothers and relatives of missing persons who showed up at the so-called activities house in San Miguel, where the bishops are deliberating. In short, the issue will probably be debated extensively before agreement is reached on the final wording of the document. For the time being, the majority opinion (as well as that of nuncio Monsignor Calabresi) is reported to be that the Church's stand on this point ought to be "firm" and even "hard-line," if you wish, but at the same time it must "avoid" anything (these were reportedly the words of Monsignor Primatesta) that might lead to a "break" with the military regime or that could be characterized as a "provocation." The same approach would reportedly be followed with relation to academic freedom and the "right of choice" that families have in this area. "The purpose of the assembly," circles close to the conference emphasized to me, "is to produce an exhaustive and 'stable' document that has currency for many years, not a judgment on the existing situation."

#### Support for Viola

All indications are that both the local episcopate and the Vatican do not want to diminish the Viola administration's chances of bringing about a political "opening" or at least of relieving tension in the system. Thus, although the document reportedly acknowledges that the Church does not "come out in favor" of any political prescription, it suggests in context that the traditional prescription in Argentina has been democracy.

Many of the resolutions will require just a simple majority for passage; only the most controversial or theologically important ones will require a two-thirds vote. The assembly will also elect the new members of the Episcopal Commission of Catholic University, whose chairman, Monsignor Aramburu, will continue in his post. A number of bishops will probably retire or cease to perform some of their pastoral activities because of their age or uncertain health. Such is the case, for example, of Monsignor Tortolo, the vicar general of the Armed Forces, who might leave his post.

All of the circles consulted assert that the Church is preparing here for a sweeping overhaul of its leadership personnel, which would be undertaken in

keeping with the politically "middle-of-the-road" winds blowing from Rome and also with the need to cooperate in establishing a state of law in Argentina as soon as possible. Various Church sectors have emphasized to me that this is not necessarily tantamount to elections in the near future, but it does mean the establishment of the normal workings of justice and of individual rights. For the time being, most of the bishops seem to think that a consolidation of General Viola's government is the best way to accomplish this. Hence, they are prepared to support the president, albeit with some strings attached, and are trying to make their document both "balanced" and "firm."

Meanwhile, the bishops are not concealing their concerns over the renewed tensions between Argentina and Chile, which they say jeopardize the pope's mediation in the Beagle affair. I have heard reports that in recent hours two bishops have undertaken efforts in government and military circles to resolve the problem triggered by the arrest of two Argentine military officers in Chile, and we cannot rule out the prospect of a diplomatic "mobilization" by the Church, both here and in Chile, to ease these tensions.

8743

CSO: 3010/1318



## SIGAUT, ECONOMY OFFICIALS SPEAK TO FOREIGN BANKERS

Buenos Aires MERCADO in Spanish 23 Apr 81 pp 25-28

[Question-and-answer session between European bankers and Economy Minister Lorenzo Sigaut, Central Bank President Dr Julio Gomez and Finance and Foreign Investment Undersecretary Dr Hugo Lamonica; date and place not given]

[Text] After his speech, Minister Sigaut invited the European bankers to ask him questions. He took advantage of the pause to light up a Marlboro, having exhausted the supply of Jockey Club he had brought from Buenos Aires. At the close of the session he apologized to the bankers for having given some lengthy answers, but he recalled with a smile that his predecessor, Dr Jose Alfredo Martinez de Hoz, was not known for his brevity either. Also taking part in the dialogue with the European bankers were the president of the Central Bank, Dr Julio Gomez, and the undersecretary of finance and foreign investment, Dr Hugo Lamonica.

Question: Might the upcoming moves you make in 1981 adversely affect the stability of banks in Argentina?

Sigaut: No, absolutely not. Quite to the contrary. We are going to create economic opportunities for the active portfolios of banks by improving industrial and farm production prospects. Then proceeding prudently, we will provide better conditions for the financial sector by means of a new overall framework. We will furnish additional incentives for the merger of financial institutions, especially tax breaks. Our approach to the financial institutions that are having problems will be to reverse the burden of proof: they will have to come up with a recovery program, and the authorities will seek a solution quickly and responsibly, while requiring the indispensable corresponding steps from them.

Question: What is going to happen with Argentina's foreign debt? Does it have to be completely rolled over? What is the outlook for the short-term debt?

Sigaut: Let me remind you that we are absolutely convinced that by modifying the exchange rate we have halted the deterioration in our foreign accounts and that the balance of payments situation has begun to turn around. In 1978, the current account of our balance of payments was \$2 billion in the black;

reserves stood at \$10 billion, and our total foreign debt was \$12 billion. By the end of 1980, the current account was \$4.5 billion in the red; reserves had dropped to \$7 billion, and the foreign debt had risen to \$27 billion. Imports were increasing faster than exports, and Argentine tourism was causing a heavy outflow of foreign exchange. With the devaluation, imports will drop, exports will increase, and tourism will fall off. Moreover, capital that left the country because of mistrust about the exchange rate will return. Foreign exchange will also be flowing in from harvest sales and foreseeably higher meat exports. This means that the situation has changed and that by the end of the year the level of reserves will have climbed. Given this framework, we are absolutely convinced that the country has the capacity to cope with its short-term debt for 1981. We do not have to totally roll over our foreign debts; rather, like every other country in the world always tries to do, we are going to try to enhance our short-term debt position. The president of the Central Bank would like to add some comments.

Gomez: As the minister said, the devaluation has changed the situation in the foreign sector by its impact on exports, imports and tourism. And it is perfectly normal to take a look at the staggering of payments in the short term. This is part of a normal routine. And we can say that it is part of a normal routine precisely because we made wise moves to halt the deterioration that the minister was talking about.

Question: Was the devaluation large enough?

Sigaut: Yes. We have no doubts that it was large enough. I would clarify that the country ships out its traditional exports no matter what the exchange rate is. The problem is that producer earnings depend on the exchange rate. What we ultimately want to do is provide growers a price that will encourage them to plant more, so that we can have bigger harvests. We have no difficulty marketing our grains, but we are aware that there is a world price, a peso-dollar ratio, and the account is settled on the grower's side. Thus we are interested in having a realistic exchange rate, because this is one of the factors that determine grower income, as well as an incentive for planting a bigger acreage. The important thing is not that we should export, because we will always have markets, but that we should be encouraging producers because they are the ones who generate exportable surpluses. The improvement has been substantial for industrial goods, due to the new exchange rate combined with reimbursements. Does this mean that we want Argentina to export anything and everything? No. Argentina cannot expect to export the whole range of its domestic output at the moment. The devaluation is going to help indicate the industrial items that we can permanently market overseas with our trade network because of their price, quality and reliability of supply. And it is precisely because we want an ongoing flow of exports that we have set the guideline of a two percent monthly exchange rate devaluation. At this stage we want to give signals to market traders. Meanwhile, until we get to a floating exchange rate, we are to work on cutting government spending and the State deficit so that the exchange rate is consistent with fiscal and monetary policy.

Question: I would like the president of the Central Bank to clarify for me where aid to the financial sector will go and what will happen with the companies that took out loans in dollars before the devaluation?

Gomez: Aid to financial institutions will be provided in the framework that the minister has already explained. As far as the loans are concerned, I think that the question is very timely because it allows me to remind you of a very important fact: businessmen have to take risks in Argentina. There is no way that the State is going to eliminate the risk of doing business. I can assure you that the people who took out loans in dollars were well aware of what they were doing. I would also remind you that the companies had greatly diminished their position in dollars and their peso-denominated debts. With the effect of the devaluation they should have developed enough liquidity to offset their exposure in dollars. Each company is, of course, a separate case, but bearing in mind that a high percentage of the debt mix was in pesos, we can say, in general terms, that the devaluation should not have had an especially big impact on company debt positions. I would also like to clarify that we are not going to take any incentive measure that would entail so large a rise in the money supply that it endangers or jeopardizes the program that the minister has outlined. The undersecretary of finance and foreign investment would like to comment.

Lamónica: We also have to keep in mind the interest rate spread that the companies that had deposits in pesos obtained. A company that had peso holdings over the last 4 or 5 months must have seen this interest rate spread offset the impact that the devaluation had on its dollar holdings.

Question: I would like to know how you intend to reduce inflation without boosting unemployment.

Sigaut: Argentina's labor force is substantially different from that of European countries, for example. We have a manpower shortage. We have a very low rate of population growth, lower, perhaps, than in European countries. A great many university professors and technicians whom the country spent a great deal of money to educate are emigrating. The internal migration trend has reversed. Instead of people from the interior heading for Buenos Aires, the opposite is happening: some people are, for various reasons, leaving the city of Buenos Aires and the so-called Greater Buenos Aires Area. People used to migrate from the countryside to urban centers, and now there is a light movement back to the interior from the cities. We hope that the farm sector grows rapidly and accentuates this trend because we are all bothered by the overcrowding in Buenos Aires. There used to be immigration into Argentina from neighboring countries, and this has ceased. Until a short time ago, a lot of unskilled workers came to Argentina to work in mines or farm harvests, but for various reasons this is no longer the case. So, one of the big problems that we are going to encounter is that during this process of economic recovery in 1981 and of expansion in 1982, Argentina will have limited manpower supplies, and we should always keep this in mind. What does this mean from an economic standpoint? We can draw several conclusions, but from a national planning standpoint it means that we will have to go with a capital-intensive industrial approach.

It also means that we will not have too much unemployment. We have to face the fact of scant manpower supplies and the possibility of heavy demand because of the economic recovery. What I am telling you is so true that over the past 4 years the industrial labor force declined from 1.8 to 1.3 million persons without generating unemployment. The number of public sector employees is holding at 1.6 million, without joblessness. I should point out, however, that the number of retired persons is increasing at a faster rate than the population as a whole. In light of all this, I can say that reducing the rate of inflation is perfectly consistent with no increase in unemployment. In this regard, Argentina is an atypical case.

Question: What is the investment pattern in Argentina like? Is the public sector really so important that government spending and the deficit can be cut by lowering public investment?

Sigaut: Studying the numbers over a lengthy span of time, we found that investment was one-third public and two-thirds private. Over the last few years, public investment has increased its share and now accounts for close to 45 percent, with private investment representing the remaining 55 percent. What we have to do now is find a way to make the public works program consistent with the monetary program so that it does not become an inflationary factor by triggering an imbalance between supply and demand. We might have to delay the start of a number of projects. But if we have to halt projects, we will do so.

Question: One of Argentina's problems was the difficult situation in what you call the regional economies. How do you intend to cope with this problem?

Sigaut: You're right. The regional economies tied to export products suffered the impact of the exchange rate lag, which impaired their export capabilities. The new exchange rate arrangement has reversed that situation. The current authorities and the president in particular are very concerned about everything having to do with the regional economies, and he has given us instructions to come up with realistic solutions. One of the many objectives of the devaluation was to tackle this problem.

Question: What prospects does foreign investment have in Argentina?

Sigaut: Very good ones. We have a very fine foreign investment law, with very clear and wise rules for the host country and the investor. This administration feels that a business deal is good if it is good for both parties. In economic terms, both parties have to profit. The current law, which was passed by the previous authorities, reflects this spirit. Argentina offers operating advantages for a foreign investor in various production activities, such as mining, industry, agriculture and livestock, or trade. We can, therefore, validly ask why more foreign investment did not come in, since the official framework is so good. My explanation is that all of the conditions were not present. In economic terms, it was expensive to bring capital in foreign exchange into Argentina because the exchange rate lag meant that an investor would not get enough pesos for his dollars, marks or francs. Then there was also



the problem of the domestic market, which was shrinking because of the presence of imported goods, and the difficulties in exporting. Investment projects could not hold up under the two-pronged assault of a tariff cut and a steady exchange rate lag. The context for such projects was not good. But now the conditions are different, within the framework of good legislation. We have created conditions for the inflow of long-term capital. I would like to let you know that all of our moves are designed to bolster private operations; we want private enterprise to expand and we want to place limits on the size of government. If we succeed in stopping the growth of government and in expanding private enterprise, we are going to reduce the government's role in relative terms. But we also plan to go a bit farther and we are going to abolish offices that have overlapping functions or whose activities are not significant. In other words, our program puts its money on private enterprise.

Question: You said that you are confident that the capital that left the country over the last few months will return. My question is: Won't it leave again in a few months?

Sigaut: A few short days after taking up our posts we provided a short-term answer to the series of problems that I outlined previously and that I called the seven capital sins of the Argentine economy. But notice that these short-term solutions are part of a long-term plan. These are not short-term measures that will become contradictory in the long term. The major tool we have resorted to is for the short, medium and long term: a realistic exchange rate that will be regularly adjusted. Cutting government spending and the federal deficit, so that we can later lighten the tax burden and promote private investment, is also a short- and long-term move. We are wagering on the long run. This means a solid groundwork for the long run. External cooperation, which comes in many forms, such as financial support, investment in industry and technology transfer, needs solid long-term foundations to develop. Foreign exchange earnings from agriculture and livestock are another factor to keep in mind, and it is not by accident or out of exaggerated optimism that I talked about increased reserves by the end of 1981. Argentina can offer good energy and natural resources supplies for the long run. And it is precisely because we want to operate on a long-term basis that everything we are doing is aimed at that objective. We cannot see a new outflow of capital happening because we are convinced that we have to handle the economy realistically so as not to interfere with the country's long-run potential. We want long-term, not short-term, foreign cooperation. And to this end we have to offer realistic conditions. We do not want short-term cooperation that hinges solely on an extraordinary exchange rate spread. This is just a way to lure in short-term funds, but it is very costly for the country.

Question: You have said that the tax burden is very heavy and that this has brought on unfair competition between those who pay and those who do not. Wouldn't it be a good idea to establish an adjustment mechanism for the people who have had economic difficulties and thus have not paid up their taxes?

Sigaut: I hope that what I say is clear, very clear. There will be no tax moratorium. In some exceptional cases we can be flexible, but adhering to the

current law. I would remind you again that because of the devaluation, a debt in pesos shrunk 30 percent, and this also applied to the case of tax debts. If there are no further questions, I want to thank you for the opportunity of holding this dialogue. I think that the time we have spent together at this meeting has to be considered a very profitable investment for all of us. I appreciate your questions and want to let you know that if you have any doubts, our obligation is to clear them up. (Applause)

8743

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## COMMERCE MINISTER COMMENTS ON AIMS OUTLINED BY DEPARTMENT

Buenos Aires CLARIN in Spanish 20 Apr 81 pp 8-9, 40

[Interview with Commerce and Maritime Interests Minister Carlos García Martínez, in his office; date not given]

[Text] In an exclusive interview with CLARIN, the minister of commerce and maritime interests asserted that the officially proposed two percent a month exchange rate adjustment is only a guideline for the Central Bank, adding that a realistic exchange rate would be maintained. He also pointed out that attempts would be made to improve domestic marketing structures and that exports would be promoted.

"The Ministry of Commerce and Maritime Interests is not in charge of monitoring prices. That job is being done, as always, by the National Statistics and Census Institute (INDEC). So, it is not true that in a study the ministry has predicted an 8, 10, 14 or any other percent cost of living rise for this month." It was with this emphatic assertion that Minister Carlos García Martínez began the exclusive interview that he granted CLARIN at his office.

To reaffirm his assertion, he read, from a well-worn text, the two provisions in the ministries law relating to pricing policy. He clarified that his ministry merely monitors the prices of a few industrial inputs that have an impact on general market trends. Still citing articles and paragraphs, Carlos García Martínez noted: "The Ministry of Economy, Treasury and Finances is in charge of formulating price policy, although the other ministries in the economic cabinet also have their role in this. In contrast, it is up to the Commerce Ministry to implement this policy, notwithstanding which the Economy, Treasury and Finances Ministry can also play a part in this phase."

These opening remarks led to the following questions:

## Support for Competition

[Question] So then, what actions will the ministry take in its specific sphere?

[Answer] We are determined to defend the system of decontrolled prices at all costs. A great many mechanisms for businessmen to agree on prices have senselessly been created, and we are going to try and dismantle them with all of the laws at our disposal.

[Question] This is not the first time that this approach has been essayed. Yet its results in fighting inflation have been scant, if not nonexistent.

[Answer] That's true, although gains were made. In any case, battling inflation is a more ambitious, longer-run task than just unfettering markets. There is a social psychology problem in Argentina with regard to inflation. Tackling inflation entails a prolonged effort, both on the part of government and the other economic factors.

[Question] So then, controlling markets...

[Answer] Is not decisive. But it could make a major contribution in this regard. The Ministry will try to change the image of a "price watchdog" that it once had. Repression, which in some cases came to be exercised personally against businessmen, is ineffective, as is establishing maximum prices, which only causes distortions. That's the easiest thing to do, but it also brings the worst consequences: shortages, black markets and, when controls work, repressed inflation, which does not take long to make itself felt. That's why we will act on the marketing structures, so that we can carry out sweeping changes in them and create efficient systems that will really have a favorable impact on final prices.

[Question] This is in relation to procedural aspects. But even though your ministry is not "in charge of" price policy, it will also have something to say, through "intervention," about the overall strategy. When he served previously in government, during the tenure of Krieger Vasena, the current minister of economy, treasury and finances was in charge of an agreement that was reached with big business. Are you proposing some sort of special arrangement like that?

[Answer] No. In the first place, I should remind you that Dr Lorenzo Sigaut was not at the time "in charge of" the policy; he was just carrying out instructions he had received. I personally reject moves like that. Agreements, "truces," can be temporarily useful in an emergency as long as they are implemented within a framework of low interest rates. The present situation is in no way like that. Now we have to take long-term approaches, taking care not to jeopardize the capital formation process, which would be stifled if arrangements like that were put into practice.

[Question] In the immediate past foreign competition was also resorted to as a means of fighting inflation. Import tariffs were cut as a specific way of punishing price increases.

[Answer] It is my feeling that customs tariffs should never be used as a weapon in pricing policy. They should never be used for short-run goals. They are linked to the industrial outlook you are aiming at. They should be used to stimulate efficiency and change. They are a tool for development.

#### Maintaining Realistic Exchange Rates

[Question] In any case, imports were used until a short time for that purpose. And there are fears that the government is going to play the same game again, since the estimated domestic inflation far outstrips the two percent monthly exchange rate increase that the government has called for.

[Answer] I should clarify one point here before anything else: the two percent adjustment is just a guideline for the Central Bank, which can alter it if circumstances so advise. It is just a guideline. We have no exchange rate timetable. There is no guaranteed exchange rate for the future. The devaluation abolished the subsidy that foreign economies received because of the overvalued peso. The task before us now is to maintain a realistic exchange rate. We have to remember that fixed exchange rates have practically disappeared all over the world. Floating exchange rates are the rule now. So, subsequent adjustments cannot be ruled out.

[Question] Nevertheless, many circles are saying that the exchange rate lag that justified the correction was not completely offset by the recent 30 percent devaluation?

[Answer] It all depends on the base you take. Why take April 1965, and not April 1962, as the exchange parity base, for example? What we have to avoid, as an exchange rate policy rule, is a very large or very prolonged distortion in exchange rates.

#### Troublesome Deficit

[Question] This analysis of exchange rates leads into another of your areas of responsibility: foreign trade. The government of which you are a part inherits a country with a trade deficit of \$2.5 billion, \$4.75 billion in the current account, according to last year's numbers. How will this flank be attacked?

[Answer] Reversing trade deficits is one of my ministry's priorities. We intend not only to balance our trade but to obtain a surplus too. Exports are the only genuine currency that a country has. Even when a deficit is being financed, you eventually have to resort to exports to pay off the debt. That is why we are going to put every emphasis on this angle.

[Question] What measures will you take to accomplish this?

[Answer] We will establish export incentives and promote industrial exports, at all times through institutions with wideranging private involvement, to which the ministry will give its full support.

[Question] But these moves to expand markets will not make up for the loss of overseas competitiveness that exporters are feeling because of the new exchange rate.

[Answer] I have already stressed that we will maintain a realistic exchange rate, but this does not mean that reimbursements or export financing arrangements cannot be tried too.

[Question] Is some sort of move like that in the works?

[Answer] We are currently taking a look at the possibilities of doing this. We are coming up against the pitfall of the monetary consequences that ensue from such measures. But we are trying to find a way to separate these problems from export incentives.

#### Concentrated Trade

[Question] In addition to the loss of markets, the growing concentration of Argentina's trade is a striking problem.

[Answer] We have to take another look at the trade imbalances with industrialized areas, especially the United States. We are undertaking negotiations in this regard, within the framework of better overall relations. We are also studying the difficulties in trade with the European Economic Community, which are due both to its restrictions on our exports and to its subsidized competition with us in third countries.

[Question] What about the concentration of exports?

[Answer] This is less of a problem. The Soviet Union absorbs 15 percent of our total exports, although its share is bigger in grain sales. This is a very sizable, though not exorbitant, percentage. And of course, the point is not to sell less to the USSR, but to boost overall sales so as to reduce its relative share. This is a challenge that we are in a position to meet.

[Question] In any case, an enormous trade deficit is expected this year.

[Answer] We have not yet finished our forecasts, but we think that it is going to be far below the \$2.5 billion that is being tossed around as an estimate.

[Question] Is there a more knowledgeable official prediction?

[Answer] Not yet, although, as I said, we are confident that it will be well below \$2.5 billion.

## BRIEFS

LIVESTOCK DEVELOPMENT--Government, through the Ministry of Agriculture, is currently under-taking an extensive livestock development programme, so far costing \$474,288. Some 10,575 acres of land are also being used by 15,000 small farms involved in Government's Integrated Rural Development Project. A total of 427 acres of land is being leased to form 22 agricultural farms for farming families. Special low rental rates plus adequate training are being provided under this scheme. [Text] [Bridgetown THE ADVOCATE SUNDAY MAGAZINE in English 3 May 81 p 2]

CSO: 3025

## MULTIPARTY NATIONALIST FRONT REORGANIZED IN SAO PAULO

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Apr 81 p 5

[Text] Enfolded representatives of the PMDB [Brazilian Democratic Movement Party] and the PDT [Democratic Workers Party], the Nationalist Front, a movement organized in 1956 consisting of legislators of almost all political parties existing at that time, was relaunched yesterday at the Municipal Hall of Sao Paulo. The front disappeared in 1961 after supporting the presidential campaign of Marshal Henrique Teixeira Lott, defeated in the election by Janio Quadros.

In this attempt at rebirth, the Nationalist Front proclaims in its statement of principles "the inalienable right of the Brazilian nation to political and economic sovereignty," and says that political and economic control by force, decisive factors in international relations, are not only incompatible with the right to survival of the nations which are economically weaker, but they jeopardize world peace; that the long-demanded new world order implies a change in the monetary system, should be aimed at the decentralization of economic power; that the basis of a new national policy should include direct control by the state over natural resources, particularly in the energy and strategic mineral sectors, control of the multinational corporations, and a new pattern of development with a just distribution of income.

Participating in the work of reactivating the Nationalist Front, among others, were former deputies Roge Ferreira and Eusebio Rocha, Deputy Reginaldo Valadao and Prefect Guacu Piteri de Osasco, all of the PDT, former deputy David Lerer and Federal Deputy Horacio Ortiz of the PMDB.

Today Ortiz should read the declaration of principles of the new Nationalist Front in the Chamber of Deputies. Yesterday, after a minute of silence in memory of General Albuquerque Lima, the participants at the meeting made several protests against the denationalization of the Brazilian economy, among which is "the announced giveaway of Bacia de Campos to the multinationals," and they also mentioned the mineral fields of Carajas and Project Jari.

8908

CSO: 3001/184



## SANTA CATARINA GOVERNOR INTERVIEWED BY MANCHETE

Rio de Janeiro MANCHETE in Portuguese 2 May 81 pp 120-121

[Interview with Santa Catarina State Governor Jorge Konder Bornhausen by MANCHETE correspondent Alexandre Garcia; date and place not specified]

[Text] For some time Santa Catarina worked in silence. This was so much so that it was considered a geopolitical hiatus between Rio Grande do Sul and Parana. Today the people of Santa Catarina have shaken off their modesty and are showing themselves to the country with the greatness they really have. They gave proof of this by uniting, without political differences, to create a private enterprise which made a reality of an eternal dream: the iron and steel industry.

It is on this emerging state that Governor Jorge Konder Bornhausen speaks. He is a young man of 43 years-of-age, who was born in a political cradle. The son of former governor and senator Irineu Bornhausen of the valley of Itajaí, he was born in Rio de Janeiro when it was the capital of the republic. He replaced his cousin Antonio Carlos Konder Reias as governor, after having headed the ARENA [National Renewal Alliance] and the State Development Company. His wife, Dona Dea, has the same vocation as her husband. A lawyer, she has just assumed the executive post of president of the Santa Catarina Foundation for Child Welfare at no pay.

[Question] In February you held a seminar to evaluate your administration. What conclusions did you reach?

[Answer] When we took office, we promised to make the state have a greater impact in the nation so that it could accomplish its many plans. The first phase was that of projects of greater scope and was characterized by our presence in the federal capital and abroad, making viable the project of SIDERSUL, the Southern Santa Catarina Iron and Steel project. The undertaking was by private enterprise, with the participation of Santa Catarina businessmen through SANTINVEST [Santa Catarina Investment Company], Highway BR-282 between Lajes and Florianopolis, which completed the east-west linkage of the state, had all the contracts for its completion approved. We also obtained contracts for linkage with the Argentine border in the stretch from Dionisio Cerqueira to Sao Miguel do Oeste. In addition to that, we contracted with the IDB for a \$60-million loan for insuring the hauling of agricultural harvests on neighborhood

roads. Through the FAS [expansion unknown] resources were allocated for the construction of regional hospitals, which will be built in the second phase now beginning.

We have already managed to fill some gaps existing in federal administration in the state with the installation of the BNH [National Housing Bank] branch and the creation of the Regional Labor Court. We initiated the Social Commandos with the Aciso and Rondon Projects. Through work scholarships, we sought the participation of students in activities in the outskirts of the cities. We created Worker Tourism with vacations whose costs are limited to the price of the hotel accommodations.

We are installing the complaint counter, with direct help from the office of the governor, to improve attention to public service. We reorganized the bureaucracy. We paved 420 kilometers of state highways, we built more than 300 kilometers of new highways; we activated a child hospital, we are finishing the Planalto Regional Hospital; we carried out a vaccination campaign considered a model in Brazil, we completed 22 health units; we spent more than 1 billion cruzeiros in repairs, replacements and construction of schools in the education sectors; we managed to create the Faculty of Agronomy of Lajes and we gave help to educational foundations of Santa Catarina, which took education to the backwoods areas. In agriculture, we carried out a program of agricultural infrastructure: storage units, rural electrification, neighborhood roads. In two years we built almost 10,000 kilometers of rural electrification lines.

[Question] Where did the money come from?

[Answer] Our own resources and domestic loans. We borrowed \$60 million from the IDB and \$50 billion from foreign sources, and we issued Santa Catarina Treasury Readjustable Bonds in anticipation of tax collections.

[Question] The Santa Catarina iron and steel industry was mentioned for the first time during the term of Governor Arthur Bernardes; a highway linking the coast to the western part of Santa Catarina is a hope from the past century, now, in 2 years, those two hopes come true. Is it something President Figueiredo wanted?

[Answer] President Figueiredo understood the worth of Santa Catarina in Brazilian progress. When he was here he declared that during his term of office Santa Catarina would no longer be a hiatus between Parana and Rio Grande do Sul. That is in keeping with the actions he has been putting into effect. I believe that Figueiredo caught a glimpse of that process of publicizing Santa Catarina outside our borders. We have to make some figures of greater importance mean something: We occupy only 1.13 percent of the national territory and we are fifth in the production of food in Brazil. We are the state in which there is less social imbalance, although there are problems of social type. We are the sixth industrial state; we are the seventh collector of federal taxes. For all that we would have to deserve that reciprocal action being taken with courage in a very difficult time by President Figueiredo.

[Question] Has that historical and geographical onus of being a hiatus between Parana and Rio Grande do Sul been overcome yet by Santa Catarina?

[Answer] I believe that the gains enumerated demonstrate a concern with that. We are acquiring the conditions for making that hiatus disappear forever. We are working actively for that, arousing the purposeful spirit of the people of Santa Catarina, an example of which is SANTINVEST. When the government called the principal businessmen to the palace and proposed the creation of a company capable of meeting the challenge posed by the creation of our own iron and steel industry, there was not a single dissenting voice and we created SANTINVEST here at a lunch at government house. We are, therefore, in the position of being able to participate in that process and if we are provided with more, we shall be able to do much more.

[Question] What about the Project for Santa Catarina Identity? What is it?

[Answer] The state has some differences among its regions and we still have some difficulties in communicating. To say simply that we do not yet have an asphalt topped road between Lajes and Florianopolis shows that there are difficulties in communications. We do not yet have all the municipalities of the state reached by our television stations. Those difficulties in communications make obvious the difficulties of integration and they reveal a lack of identification. That process of integration was demonstrated in the campaign for SIDERSUL. There was no segment of society which did not participate in that process. All the legislators of Santa Catarina also were unanimous in that. We want to show that Santa Catarina as a whole wants to be an instrument of integration and national development.

[Question] It is often said that Santa Catarina is an introverted state; a very intense inner life, an advanced industry, but without a national projection of that fact.

[Answer] That is why in the first phase of government we are making attempts at great conquests; in the second phase we shall begin to take actions to obtain results.

[Question] What about the 1982 elections? Are you preparing the way? Are you going to be your own successor?

[Answer] It would be inconsistent for a governor or politician to say that he does not want to be his own successor. The candidate my party chooses will have my complete support.

[Question] They say that your appointment as governor of the state was caused by your work of organizing the party rank and file. I imagine that such work will still be intensified, is that not so?

[Answer] We have a completely formed party in the 197 municipalities of Santa Catarina. The Young PDS Movement is almost at that total, as is the Labor Movement also. By the end of this six-month period, we shall have completed it in all municipalities also.

[Question] Are the young and the workers receiving much attention from the PDS?

[Answer] I believe that organization is 50 percent of an election. Our Youth Movement had a series of talks in April with the participation of Francisco Horta and Joaozinho Trinta, both deputies... I will go talk with them. The party has to open up. The Labor Movement is very well organized. I have seen halls crammed with workers. There are many parties which have the word "Worker" in their names, but they think they own it. However, a political party has to have a place for all segments of society.

[Question] When you leave the government you will be a young politician of 45 years-of-age. What are your expectations?

[Answer] I am not worried about that. I do not have any personal expectations. I do have party hopes; my interest is in having the PDS win the 1982 elections. I could just as well be a candidate to senator as to federal deputy or state deputy, or not be a candidate at all. I will be a candidate to any position as long as it is useful to the party. If the interest of the party is in my remaining in the governor's position to the end of the term, I will remain until the end, expecting to win, for a comrade for my successor.

[Question] You are sincere?

[Answer] I am not worried about my future.

[Question] Have you proposed Ney Braga for the presidency of the republic?

[Answer] I did not propose him. Ney does not deserve such a weak proponent.

[Question] You have just finished confirming what you denied.

[Answer] The following happened: I was asked about it and I said that I believe the proposing of any candidate for the presidential succession is premature because President Joao Figueiredo still has four years of his term to serve. But I believe that in the future, at the table where succession is discussed, the name of Governor Ney Braga could not fail to be considered. He is a national leader who was successful in the ministries he occupied and as governor of Parana; he had a brilliant political career.

[Question] Did the events of 30 November 1979 in Florianopolis, which involved President Figueiredo, have some effects on your government in the local or federal area?

[Answer] I believe the event was handled by the pertinent authority and there has already been a preliminary judgement. As far as relations with the federal government are concerned, I never had any problem. Proof of this is the support Santa Catarina has been receiving in its large projects from President Joao Figueiredo.

[Question] Is the petroleum crisis opening new prospects for Santa Catarina coal?

[Answer] Certainly it is. After initial difficulties, there is now opened the possibility of greater use of coal for energy purposes, coal for steam and gasification for industrial use, including the use of a gas pipeline for carrying energy to the consuming center of Sao Paulo.

8906

CSO: 3001/184



## ECCLESIASTICAL BASE COMMITTEES DEFINE POLITICAL ROLE

Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Apr 81 p 5

[Article by Carlos de Oliveira: "CEB's Reject Function as a Nucleus for Political Parties"]

[Text] Participants of the 4th Interecclesiastic Meeting of the Ecclesiastic Base Committees [CEB], in a letter revealed yesterday afternoon at Itaipu, Itaipatuba, during the closing of its labors, declared that the "CEB is not, nor can it be, a party nucleus but a place in which we must live, intensify and practice our faith; where we must compare our life and our practice with the light of the word of God to see if our political action is in accordance with God's plan. In the CEB we must seek the strength to encourage us in the struggle we carry out in the neighborhood, the fields, in the world of work, in the political party."

On that occasion the cardinal-archbishop of Fortaleza, one of the coordinators of the meetings, Dom Aloisio Lorscheider, speaking to the press, said that if there were a greater participation by the people in society "the danger of a social upheaval would be much less than it is now, when it continues to grow with every passing day. Therefore, means for the participation by the people in the decisions which have to do with all our nation should be found as soon as possible."

For the president of the CEB meeting, Dom Valdir Calheiros, the bishop of Volta Redonda, the meeting in Itaipu showed "there exists a political consensus within the CEB's without any concern for parties. They are watching party politics in the sense that they will not allow themselves to be involved or manipulated." According to Dom Valdir "the people understand the uproar about the communities being a political force because there is fear of the communities. There is the fear that there will be no wide-open doors to be profaned with personal ideologies and positions."

## The Letter

Dom Valdir declared that at no time was there the intention of preparing an official document of the meeting, considering the letter disseminated as a sort of "communique to the comrades who could not come here."



In the letter it is pointed out that "politics, that great weapon we have for the building of a just society, is being ill used by those who exploit us. Good political action is when we unite to defend our lives and our rights against the liars and exploiters.

"We should not be afraid to enter into politics because if we do not, we shall be completely demolished and deceived by the expert and greedy politicians. The CEB's must discuss the programs and practices of the political parties, discover which interests they are defending and which social change they propose. All that we must do with great seriousness so that we may discover who are the wolves who come to us dressed in sheep's clothing and which are the parties which really are of the people."

#### Obligation

Dom Aloisio in turn declared that it is not fitting that the CEB's exercise party politics, but it is their obligation to educate their members in politics so that choices are made not by the communities but by their members."

According to the cardinal, "A society with more participation, where all have the opportunity to give their opinion, would help to overcome the crisis. What bothers many people is that they are kept out of development, outside of the nation which they themselves are. In that respect, people become dissatisfied and say: "We are allowed to work but when it comes to giving an opinion we are not asked."

According to dom Aloisio, among those present of the 4th meeting of the CEB's there was "No feeling of social upheaval but rather one of greatly desiring participation. What crushes them is that they are not consulted. A new society is being born through the CEB's and it would be a shame to hinder this greatly positive and patriotic work being accomplished."

#### Letter to the Pope

The participants in the CEB meeting also wrote the following letter to Pope John Paul II:

"Dear friend and brother John Paul II. We, the representatives of the CEB's are reflecting, in the light of the Gospel, on our situation with a view to changing the unjust situation. We wish to thank you for the support and incentives received through your messages, particularly that one to the CEB's of Brazil. In this meeting it appeared clear, as in all the country, that the CEB's are devoting 'special attention to a serious effort to maintain the ecclesiastic aspect in all its purity' as you wrote us."

#### Nonaligned

In Brasilia, the secretary general of the National Conference of Brazilian Bishops [CNBB], dom Luciano Mendes de Almeida, reaffirmed that "the CEB's are not allying themselves to any party nor much less make up a party, however,

they are teaching their members to participate with discernment in political life." Dom Luciano admitted that the parties may seek out the CEB's but said he believes that the right road would "be for the parties to propose programs which deserve the attention and support of the members of the Church because of the values they defend and promote."

### Theologian Proposes Guidelines

A document written by theologian Clodovis Boff, proposing that "members of the CEB's express their preference for parties (...) which have a socialist orientation, that is, that consider placing the economy in the hands of the organized people," circulated yesterday in Itaici, municipality of Indaiatuba. According to the president of the 4th meeting of CEB's, dom Valdir Calheiros, the document was not analyzed by the participants and is not part of the agenda for discussions by the meeting.

In the form of a decalog, the document makes a series of proposals as to how the CEB's should behave with respect to the political parties. Its text is as follows:

1. They should encourage the political education of the community permanently and not only in times of elections
2. This principle should be clear in the communities: Participation in parties is not simply free but also good and necessary for a Christian. Note, however, that this participation can happen in several degrees: by vote, membership or leadership.
3. They should analyze parties, politicians, government measures and the times critically. It is not enough to provide criteria on training. It is also necessary to provide informational material (history of the parties, their programs, their members and so forth). That, therefore, should be done according to the needs of the various groups at the various levels of the Church: prelacy and parish, CEB and the evangelical group.
4. Members of the community should express their preference for parties which are of the people, that is, parties that give the people a chance to participate in an increasing way, even in leadership posts, parties which defend the rights of the oppressed, parties which are aimed at social change and not their own perpetuation and which fight the dictatorship and every oppressive power, which fight for the economic independence of Brazil, which have a socialist orientation, that is, which are aimed at placing the economy in the hands of the organized people.
5. They should create conditions so that from the communities will emerge leaders who will join a popular party; that these Christians will not alienate themselves completely from the community from which they came nor will it abandon them, rather it will accompany them fraternally with its encouragement and questions;

Christians should have the freedom to create communities which are the proper places for party debate and organization.

7. The members of the community should have the freedom of fraternally exchanging ideas in terms of party preference with the objective of helping, as brothers in the faith, to achieve a proper position. Any type of party propaganda is, however, prevented within the CEB's. The final choice must never be imposed, but should be left to the Christian choice of each person.

8. Together with that new front of party involvement, continue to expand the work among the rank and file of nonparty organizations, evangelization groups, unions, associations and so forth.

9. The peripheral groups, the Pastoral Land Commission (CPT) and Human Rights Defense Center (CDDH) should assume the task of helping the communities to take a critical position in the political field.

10. All these criteria must be applied in a flexible way so as to adapt to various situations. They must be reviewed periodically by the community to keep up with the times. Those are the criteria of the criteria.

8908

CSO: 3001/184

## BRIEFS

PCdoB CALL FOR UNITY--Belo Horizonte--The secretary general of the Communist Party of Brazil [PCdoB], Joao Amazonas, yesterday advocated the unity of all opposition factions "as a means of overcoming the political and economic crisis the country is undergoing." To him the solution is not in the convocation of a constituent assembly by the government itself now or in 1982 because that would be a "farce; rather it lies in 'popular unity' based on specific objectives." Amazonas did not care to comment how that unity would come about with the differences existing between his party and the Brazilian Communist Party (PCB), for example, and other factions of the left. According to him, there will be more than one call for the legalization of the communists as a party, if necessary, and if the government becomes more interested in granting legal registration to the PCB because of its "conciliatory position." The secretary general of the PCdoB believes that structural changes in the present political and economic picture of the country will not come about "only through the vote," although he does not disdain direct elections. "The change will only take place because of a great mass movement," he said. "The solution to the crisis the country is undergoing is essentially political because it is the result of the development of capitalism." In his opinion, a constituent assembly would only be legitimate if it were convoked "with complete freedom." He believes, however, that the present crisis "could lead the country to a revolution regardless of our will." As for the situation of the PCdoB, he said that if it were to be legalized and participated in the elections, "it would have a good number of representatives." Amazonas was in Belo Horizonte for the inauguration of the magazine PRINCIPIOS of which he is the managing editor. [Text] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Apr 81 p 6] 8908

CSO: 3001/184

## HEAD OF PRIVATE ARMS MANUFACTURING FIRM INTERVIEWED

Santiago HDY in Spanish 29 Apr-5 May 81 pp 25-26

[Interview with Carlos Cardoen Cornejo, co-owner of Cardoen Explosives, by Ascanio Cavallo, in Chile; date not given]

[Text] At first glance, the offices seem like those of any common, ordinary business firm: a spacious reception room, flowers, attractive secretaries and many visitors bustling about. The office of the chief executive, Carlos Cardoen, is small, pleasant and ornate with its accumulation of objects. From there, one has a peaceful view of the corner of Carlos Antunez and Providencia Streets.

Until the "special" details appear: three hand grenades on the desk, a PJ-1 bomb on one shelf, and a structural model of an armored car on another. Then one realizes that Cardoen Explosives, the first (known) private weapons factory in Chile, is no joke.

Its owners, Carlos Cardoen Cornejo (with 97 percent) and Fernando Faundes Roa (with 3 percent) publicized their work only 2 weeks ago, when they introduced the first two armored cars "made in Chile." The products were a complete surprise: they can carry 14 men, travel at speeds of 120 kilometers per hour, resist artillery attacks and mine explosions, operate as amphibious vehicles and carry light and heavy artillery. They accommodate different types of turrets, for ground guns, antiaircraft guns and missiles.

But that is only one part. Cardoen also offers other gems: demolition torpedoes, bombs for helicopters, antisubmarine charges, antipersonnel mines and mines against armored vehicles, hand and underwater grenades and triggers. Or (if the customer wants them) rocket launchers equipped to saturate an area with 16 projectiles in 1 second; or better still: a directional fragmentation mine which launches sufficient splinters to cover a human body at 25 meters.

An agreement with the Swiss firm Mowag Motorwagenfabrik made the armored cars possible and they are now the basis for its possibly being the first national factory for armored vehicles.

'What Can You Do?'

Carlos Cardoen Cornejo is 38 years old, married, with "five and a half children" whom "he does not like to have playing war," although "when they go to the plant

they amuse themselves with the models." He studied metallurgical engineering at the Technical University and, thanks to a Braden grant, obtained a doctorate at the University of Utah, in the United States.

He began working on explosives with one of his professors, who formed a company and hired him as manager of its Chilean branch. He later started organizing branches in Brazil and Puerto Rico, until his teacher sold the complex. In June 1977, Cardoen decided to set up his own industry. He obtained contracts with CODELCO [Copper Corporation], Exxon and other mining companies, for detonators.

He says: "We started with the intention of making completely new explosives based on dry products and containing large amounts of powdered aluminum, which we manufacture."

How did he turn to the arms industry? He answered NOY in his office, decorated with degrees, diplomas and medals (as a private pilot, president of the Vichuquen Air Club, member of the Los Leones golf club, second lieutenant in the FACH [Chilean Air Force] reserve and member of various U.S. metallurgical associations), and photos featuring President Pinochet, Admiral Merino and General Matthei.

"It was due to the need that the country experienced about 2 years ago. We had the problem of the termination of the arms supply just when we needed to have that equipment. At the time, the Armed Forces called upon the businessmen associated with the field. Because there was no private firm in Chile in this field, despite the fact that the weapons industry is in private hands all over the world. They asked us: "Well, what can you do? What we need is this and that." We studied the possibilities, and hired a German weapons engineer with experience in World War II; and we explained what it was feasible to manufacture. So, we started with a couple of products, which were mines. Now we are exporting armament to several friendly countries, and we hope to become a firm producing on a worldwide level within a relatively short period of time."

[Question] And is that possible?

[Answer] Absolutely. I am convinced that underdevelopment and mediocrity are only skin deep. I think that underdevelopment is a state of mind. We are thinking big, and doing things big.

[Question] But the weapons companies are multinational....

[Answer] Precisely. When a company is multinational, it must carry an entire organization on its shoulders, which has a price. And weapons have usually had a political price. We can produce at a very low price, because we have met the challenge on the basis of totally economic-industrial concepts, as an industry takes on the manufacture of anything....

[Question] But this is not anything. At the outset, it has political limits.

[Answer] No doubt, but it also has tremendous political advantages. Remember that Brazil, which is as Latin as we are, exported over \$750 million worth of armed vehicles last year. That is virtually the same amount as in the national defense



budget. What does that give to a country? The chance to assume a different political standing, not only because of the economic advantage, but also because of the position of greater political solvency, marked by equal treatment with other countries.

[Question] Then the idea of turning toward a weapons industry is not exactly a private enterprise....

[Answer] I would say that our enterprise met the need of the Armed Forces. But this has by now transcended the Armed Forces, because we are exporting. We cannot claim yet that our firm depends on exports, but I do think that this will be the case. We must realize that all the weapons companies do not rely on their own markets. The latter are a minimum. They work to export, and to progress, and thus be able to use the best of their production for themselves....

[Question] But a business such as this must have limitations imposed by the government, national security and the law....

[Answer] Of course. We are a private enterprise. We come under the system, the law and the Constitution. Naturally, we have special regulations, owing to the nature of our products.

[Question] And does this not make you absolute supporters of the government, and not only of it, but of whatever there may be?

[Answer] Absolutely. We try to maintain close contact with the authorities, to keep them informed and to receive their instructions.

[Question] And don't you think that this would interfere with the company's future? For example, if a government of a different type should arrive, which could no longer consider you trustworthy.

[Answer] I think not. I don't believe that there would be any reasons for having problems with anyone, if we remain within the legal framework....

[Question] Why was nothing known publicly about the company?

[Answer] We have tried to keep a low profile, because we believe that one must have a certain standing to show first. These two cars are something bigger now....

[Question] Have you at any time had to face the moral problem of producing weapons?

[Answer] Well, I would tell you one thing: to me, national defense, the defense of my native land, comes first. I think that any well-bred Chilean has that opinion. I am ready to help, insofar as I can, regardless of the cost, in the defense of the nation.

[Question] Even though that cost may entail human lives?

[Answer] No, not if human lives were involved. These are defensive, not offensive weapons. For example, a mine operates if someone enters the territory. Everything

that we produce is fundamentally a defensive item, the armored car as well. It is used to carry personnel and equipment, after all....

[Question] But they kill.

[Answer] Well, don't forget the saying that a pen can kill more than a weapon....  
(laughing).

[Question] Let us put it differently. The Nobel Peace Prize winner, Adolfo Perez Esquivel, has said, with regard to the hostile atmosphere between Chile and Argentina, that the only ones who encourage wars are the arms manufacturers.

[Answer] I don't think that is true. Weapons keep armies prepared for defense. Can you imagine anyone being interested in wars?

[Question] But in order to purchase weapons, they have to be used; and they are used in wars.

[Answer] No, no; I repeat: most of the weapons are used in training, in the maintenance of the armies. That is the principal market.

[Question] Have you already decided in which area of the world you will seek these markets?

[Answer] Yes, generally speaking yes. For example, we have received an order to export fuses to England. There are other items which have a place in the United States, France....

[Question] But Europe is obviously not your principal market for the future. Don't you want to say what is?

[Answer] No, no, I cannot....

[Question] Aren't you afraid of the extremists? You are a good target....

[Answer] Ah, put this on the front page, if you can: We have five plants, distributed all over Chile. They all work on parts of the process, and there is no complete equipment stored in any of them. Everything is assembled in one plant, which is a secret one, and is shipped in vehicles belonging to the customer. Now, even if this plant were to be known, it would have to be ascertained whether the security force that it has could be penetrated....

2909

CSO: 3010/1322

## BRIEFS

EXCHANGE WITH CZECHOSLOVAKIA--New agreements on extensions and the exchange of specialists in scientific and technical programs resulted from the working session held by the Czechoslovak-Costa Rican Mixed Commission on Thursday and Friday in San Jose. The programs pertained to such aspects as environmental pollution, development of the ceramic and enamel industry, underwritten by the national and Costa Rican universities, as well as cooperation in the mycology sector, i.e., the study of fungi, with Mexico Hospital, and other projects involving the Montecillos National Slaughterhouse cooperative, the Cartago University College and the Costa Rica Development Corporation. The representatives of the UCR [University of Costa Rica] and the Ministry of Economy, Industry and Trade explained the goal and content of a ceramics project. They also spoke of the plans to build a plant for the production of enamel goods. National University indicated that a research project on pollution of the atmosphere linked with industry and transportation is planned, in which connection an exchange of specialists has been requested so that the results obtained in this field in Czechoslovakia and Costa Rica can be compared and the Czechoslovak contingent can assist the Costa Rican professionals. The Costa Rican representatives explained the characteristics of the proposed establishment of a Central American textile institute, which project the Czechoslovak representatives have already analyzed. In addition, the Costa Ricans presented a proposal for the establishment of a course of study leading to a diploma in biochemical processes. The Czechs will study this proposal with a view to providing an expert to set up the course, working with the University College. It was stressed that in connection with this aid, the ratification of the cultural agreement signed by the two countries in 1977 in San Jose is essential. [Excerpts] [San Jose LA REPUBLICA in Spanish 25 Apr 81 p 5] 5157

CSO: 3010/1241

## SEAMEN, PORT WORKERS UNION IGNORES MAY DAY CELEBRATION

Bridgetown ADVOCATE-NEWS in English 1 May 81 p 3

[Text] St Georges, Grenada, Thursday (CANA)--For the first time in its history, the Grenada Seamen and Water-front Workers Union (SWWU) will not take part in the annual May Day celebrations organised by the Grenada Trade Union Council (TUC), it has disclosed here.

The SWWU has told the TUC in a letter that the decision not to take part was reached 'after very careful consideration of certain delicate matters.' The union thought that in taking such a stand, it would 'save embarrassment to those involved.'

SWWU secretary Eric Pierre said today the background to this matter was a confrontation between his union and the peoples Revolutionary Government (PRG) last December 31.

SWWU claims the right to handle all cargo warehoused on the St. George's docks, but the PRG over-ruled this claim and workers employed by government unloaded a shipment of powdered milk which arrived on Old Year's Day, consigned to the PRG.

A similar situation in mid-April arose when a ship arrived with cement consigned to the PRG. Cement is not warehoused, but for the discharge of the ship, government provided one of the three gangs required, leaving two to be supplied by SWWU.

The union objected to this, claiming the right to supply all the labour, and the PRG then provided all three gangs.

"We had a meeting last Saturday (25th) with Minister of Communications, Works and Labour Selwyn Strachan to discuss this matter," SWWU secretary Pierre said. "but we did not get very far. Strachan had previously agreed to come to the docks on Wednesday 22nd to talk to the workers, but he did not show up and there is a great deal of dissatisfaction in the rank and file of the union."

Pierre said the mood of an SWWU general meeting held on April 24th showed there was a great risk that SWWU members would walk out when "certain members of government" addressed the TUC May Day rally tomorrow.

This embarrassment would worsen the situation, he said, and SWWU had, therefore, regretfully decided not take part in the rally.

The SWWU secretary said a meeting has been fixed for May 7th for his executive to hold discussions with Strachan and Prime Minister Maurice Bishop with a view to resolving the situation concerning the handling of cargo consigned to the PRC.

CSO: 3025

## BRIEFS

**TAIWANESE BUSINESSMEN VISIT**--On 20 April representatives of an industrial firm with headquarters in Taiwan visited the main offices of the ZOLIC [Free Industry and Trade Zone]. Their purpose had to do with their visit the preceding day to the Santo Tomas de Castilla Free Trade and Industry Zone to study the possibilities of establishing an industry in our country to produce the goods they manufacture in Taiwan. The Chinese industrialists included Adolfo Su, manager, and Halita Hung, director, of Rolison International Co Ltd. These industrialists also visited the port complex projects on the Pacific coast. The representative of the technical department of the UNECPA, Naval Lt Julio Yon, supplied them with full explanation. The industrialists indicated that they might undertake installation of their factory in Guatemala in the month of December. This industry would provide work for hundreds of Guatemalans, and later on they said that the free zone offers the possibility for the establishment of another plant, the full development of which the government of the republic will promote, in view of the great desire of the president, Gen Fernando Romeo Lucas Garcia, to sponsor the development of the Santo Tomas de Castilla zone. At noon on 20 April, the businessmen visited the main offices, where they were welcomed by the general manager, Col Oscar Morales Lopez (qualified pilot), the president of the board of directors, Hector Garcia de Leon, and various representatives of a number of sectors, mainly industry and trade. [Excerpts] [Guatemala City DIARIO DE CENTRO AMERICA in Spanish 23 Apr 81 p 8] 5157

CSO: 3010/1241



## MARTINEZ REELECTED AT 19TH PCM CONGRESS

Mexico City EL SOL DE MEXICO in Spanish 16 Mar 81 p 10-A

[Article by Hugo Jimenez]

[Text] The PCM [Mexican Communist Party] closed its 19th National Congress last evening by defining the party as "worker, peasant, student and popular," reelecting Arnaldo Martinez Verdugo as its leader, and with the determination to participate in the next presidential elections in a "common bloc" with the country's democratic leftist forces.

It increased the number of members of the Central Committee, which from now on will be 60, and also created the National Vigilance Committee to strengthen party actions, which will be focused directly on democratization of the national unions in an effort to end elitism [charrismo] in those organizations and thus to break, gradually, with the present system of government.

In this way the PCM will seek "to win" the country's working class in the next political election campaign, to become a true "worker party" and thus already strengthened, to do battle, first with the "rightist" opposition and later with the PRI [Institutional Revolutionary Party] and to change in the medium term the present system of government, which does not seem to be able to solve the national problems.

It was decided also, with the approval of this congress, to struggle more energetically in the universities throughout the country, as well as on the state farms, in proletarian settlements and in other popular areas, to make the PCM a party which defends the interests of those sectors.

At this closing ceremony, held in a hotel on Insurgentes Avenue, the PCM leadership admitted its open participation in the national teacher movements, in the telephone workers demands and in other actions which have strengthened the party, making it a "true choice" because it offers the democratization of the unions, which is not offered by the other political organizations, least of all the PRI.

It said that the struggle for union democracy will be permanent, and to achieve this the workers will be politicized to get them to break with the present systems of government and change their unions into independent organizations.

In conclusion, mobilization of the masses was emphasized, especially in the worker and peasant sectors, so that in this way they might break with the present systems of government in which the working class is being exploited.

8735

CSO: 3010/1099

## COLUMNIST DECRIES PROPOSED F-5 PURCHASE

Mexico City EL SOL DE MEXICO in Spanish 17 Mar 81 p 4-A

[Article by Marco Castro Marin]

[Text] Traditionally our country has kept its government actions within the confines of civilian politics rather than military politics as is true of most of the countries of Latin America. This clearly marks the contrast between Mexico's conduct and that of certain Latin American countries.

Accordingly, our armed forces have been dedicated to working on domestic problems rather than those of interventionism or internal conflicts.

Therefore the military equipment needed by our armed forces has been strictly what is necessary, and not anything excessive or sophisticated. Why would it be needed? Our people are not under the military boot. On the contrary, they are becoming, although slowly, ever more politicized and take part to a greater degree in the nation's political life. Political reform is an example, however weak, of what has been achieved.

It was a surprise, therefore, to see a report published in the United States and commented upon in the WASHINGTON POST to the effect that our country will purchase from that nation a dozen supersonic F-5 warplanes as part of an effort to modernize our military equipment.

These planes are the most sophisticated of their kind produced by the American military industry. There is no country in Latin America--with the exception of Cuba, which has Soviet supersonic MIGs--with such combat planes in its air force.

American analysts, in turn, have stated that the cost of each plane will be over \$5 million, depending on the accessories included and on each country's willingness to spend.

On the other hand, they also observe that Mexico has no argument with which to justify, within its own military strategy, the purchase of those planes, since our country is bordered on the south by Guatemala, and there is no danger of a confrontation there. To the north, Mexico borders the United States, and if the fear exists that we should be equipped to protect our energy, even with the 12

F-5 planes we would not be able to last 15 minutes in a military confrontation with or invasion by our neighbor to the north.

So the question is, what is the reason for purchasing such sophisticated war materiel?

8/85

CR01 3010/1099

## USSR PREPARED TO OFFER TECHNOLOGY EXCHANGES

Mexico City EL DIA in Spanish 19 Mar 81 p 15

[Interview with Engineer Valeri M. Belosov by Victor Magdaleno, EL DIA reporter; date and place not specified]

[Text] "A technological exchange between Mexico and the USSR is advantageous to both countries," stated Soviet engineer Valeri M. Belosov, director of the Technical Control Division of the Ministry of the Machine Tool and Tool Building Industry of the USSR in an interview with EL DIA. In spite of the fact that at the present time "there is practically no exchange in this area," the Soviet Union "is willing to heed any interest which is based on mutual need," said Belosov, who was accompanied by Yuri Pavlov, second secretary of the USSR embassy here and by Alejandro Encina, professor of the National Polytechnic Institute, through whose mediation the following interview was made possible:

[Question] What is the purpose of your visit to our country?

[Answer] Basically, it is the exchange of experiences and opinions in the field I am engaged in at the Ministry of the Machine Tool and Tool Building Industry, and also to acquaint you with the development of that industry in my country.

[Question] During the General Cardenas period, Mexico bought farm machinery from the Soviet Union; at the present time, what type of machine tools does it purchase in the USSR?

[Answer] Basically, medium-size machines such as parallel lathes, universal milling machines, industrial drills and some others. However, the volume of these purchases is very small.

[Question] What are the prospects at the present time for greater technological exchange between the two countries?

[Answer] As far as we are concerned, the prospects are rather good. We are willing to cooperate in any industrial field; it all depends on the interest shown by the Mexicans.

[Question] What are the greatest accomplishments of the Ministry of the Machine Tool and Tool Building Industry of the USSR?

[Answer] The principal achievement of the ministry, created at the end of the 1920's, is not the development of certain types of machines but in having insured that Soviet industry is equipped with domestically manufactured machine tools. Without any doubt, unique equipment has been created for the cutting and pressing of metals, for example; however, the fact of having provided industry with equipment is the most significant.

[Question] We can assume from the development of Soviet industry that the ministry you work for represents an important area of the economy of your country. Is that not so?

[Answer] In fact, its importance lies in the fact that the manufacture of the machinery necessary for equipping industrial enterprises in different branches is coordinated by the ministry. If this ministry had not existed, we would not have such a highly developed economy, from the industrial point of view.

[Question] What are the functions of the division you head?

[Answer] Basically, the creation of new types of equipment and industrial tools, for which purpose it coordinates the activities of 14 scientific research institutes in the field we deal with. In fact, the division serves as a link between the research institutes and the industrial enterprises.

[Question] Could you tell us about some of the more important research projects carried out by the Technical Control Division?

[Answer] In the last few years a wide variety of equipment of great productivity, exactness and reliability has been created; for example, there are in my country industrial complexes where there are sections of automatic production lines which are controlled by a computer. The computer programs the work of all the machines involved in the operation without there being need of an operator. These are completely automated systems. This equipment was developed by the Experimental Research Institute in Moscow, which is the leading agency for technological development and scientific research in the USSR.

There are other examples, such as the numerical control machines, which are already being mass produced; or computerized equipment for pressing and stamping; machines used in casting metals and so forth.

Of course these developments do not take place exclusively in the institute, but all manufacturing plants have design sections where the projects sent by the institutes are put into practice.

Engineer Belosov will visit some of the industrial centers of Mexico in order to exchange ideas with Mexican technicians and experts. In addition, he will give a lecture organized by the Secretariat of Patrimony and Industrial Development tomorrow, Friday, at 1000 hours in the CANACINTRA [National Association of Processing Industry] headquarters, in which he will speak on the development of the manufacture of machine tools in the Soviet Union.

9204

(50: 3010/1102

## CASTANEDA DEMANDS CLOSER TIES WITH EAST EUROPE

Mexico City EXCELSIOR in Spanish 13 Mar 81 pp 1-A, 18-A

[Article by Raymundo Riva Palacio]

[Text] London, 12 Mar--The Mexican Government today demanded of its ambassadors in Europe a vigorous policy toward countries of both East and West which will ensure cooperation with those countries, and he announced that coinvestments in fishing and agroindustry will be made with several nations of continental Europe.

The secretary of foreign relations delivered his message during 3 days of meetings with Mexican ambassadors in Europe, which concluded here this morning. More than 25 reports were given during the meeting. They concerned several countries on the continent and discussed the problems and possibilities of establishing closer relations between those countries and Mexico.

The meetings of the diplomats were presided over by Secretary Jorge Castaneda, Under Secretary Alfonso de Rosenzweig Diaz and the Foreign Office directors of bilateral relations and of Eastern and Western Europe.

The essential points of the discussions were kept confidential, since they were considered "extremely delicate" in their political aspects.

Among the principal decisions was that concerning the beginning of coinvestment in fishing and agroindustry with several European countries, chiefly Spain and Italy.

Details of the coinvestment and how it will be accomplished were not disclosed, nor was it revealed with what other nations Mexico will continue to negotiate in this area. As far as energy is concerned, no plan has been suggested for the moment, although some ambassadors, like Ricardo Galan, (ambassador to) Denmark, emphasized the matter because petroleum supplies to other West European countries are not being increased.

The meetings, held in the Mexican Embassy here, brought together 22 ambassadors and the charge d'affaires in Romania for the purpose of establishing closer ties with both communist and capitalist countries of the region, not only in the economic, but also in the political sphere.



It was also the first time that so many of our representatives in Eastern and Western Europe had met together and the first session Castaneda attended as secretary. The last meeting of its kind was held in Paris in 1977.

"This new practice," the Foreign Office said, "is very useful, since it permits an overall examination of the European situation from the Mexican point of view and strengthens the image and the presence of Mexico in that region."

And it added,

"During the reports made by the 23 chiefs of missions and the dialog which took place between them and Secretary Castaneda, it became obvious that Mexico's foreign policy, especially with regard to the main questions being discussed at present, is well received on the European continent, both by East and West."

In closing the meeting, Castaneda said that "the deliberations no doubt will be very useful in the tasks Mexico is carrying out in Europe in the realm of international affairs."

8715

CSO: 3010/1099

## LEFTIST PARTIES OPPOSE DEAL ON UNDOCUMENTED WORKERS

Mexico City EXCELSIOR in Spanish 6 Mar 81 pp 4-A, 22-A

[Article by Angel Soriano]

[Text] The political parties of the opposition, the PCM [Mexican Communist Party], the PPS [Popular Socialist Party] and the PST [Workers Socialist Party] yesterday came out against President Ronald Reagan's proposal to open the borders of the United States to Mexican workers because they think that he is attempting by this means to use undocumented workers as an instrument to exert pressure or to negotiate a change in Mexico's policies regarding energy sources and its international posture.

"What is evident is that U.S. farmers need the Mexican work force. If an open door is proposed only when they need that work force and they expel it when they no longer need it, they should also grant them all the rights which are appropriate to their status as workers," stated Gerardo Unzueta, a PCM deputy.

If what Reagan is seeking is to obtain a better position with regard to Mexico and especially during his next meeting with President Lopez Portillo, it is not acceptable for them to use migratory workers as an instrument to exert pressure. They should "deal with the problem of illegal aliens, on the one hand, and that of energy sources, on the other. In general, they should treat these matters separately," Unzueta stated.

Fran-Isco Ortiz Mendoza, the official spokesman for the PPS, stated that Reagan's proposition is dangerous and should be studied carefully, since the United States is in the habit of using undocumented workers as a weapon to exert pressure.

However, he said that that measure--which Reagan refers to as a proposal by the governors of the U.S. southern states--should remain just that, a proposal, but without its becoming an instrument to exert pressure to gain advantages over Mexico.

Ester Goujon Campos of the PST pointed out that accepting open borders with the United States "would be like demonstrating an inability to solve our social problems and forcing Mexicans to give up their country."

4204

1981 3010/1100

## INTEREST RATES UP, PUBLIC DEBT DOWN IN 1980

Mexico City EXCELSIOR in Spanish 16 Mar 81 p 6 - C & F

[Article by J. Jesus Rangel M.]

[Text] The public and private sectors paid a total of \$5,357,600,000 dollars in 1980 in interest on the foreign debt previously contracted, while foreign firms within the country showed profits of \$422.3 million.

The Bank of Mexico explained that 73.8 percent of this interest was paid by the public sector and that that \$5,357,600,000 represented 55.6 percent of the total new debt of \$9,634,600,000 contracted by both sectors in 1980.

He added that the increase in interest payments by the public sector on its foreign debt was due primarily to the increase in international bank interest rates, since if the nominal rate registered from 1974-1978 had been maintained, "the interest payment would have been \$1.5 billion less than recorded."

He emphasized that the \$5,779,900,000 in interest on the public and private debt and in profits sent out of the country was able to be financed "thanks to increased exports of hydrocarbons."

The banking institution, which is in charge of the country's monetary and financial policy, explained that the net increase in the public sector's foreign debt in 1980 was \$4,110,200,000, while the private financial debt was \$5,524,400,000.

In addition, he added, an income of \$953.5 million from direct foreign investment was recorded, and independent of this, an increase was observed in registered assets of Mexicans overseas, for a total of \$2,062,800,000. The Bank of Mexico reported that in 1980 profits sent out of the country by foreign firms based in Mexico reported that in 1980 profits sent out of the country by foreign firms based in Mexico amounted to \$422.3 million, representing an increase of 48.7 percent over the figure recorded for 1979.

Interest on the private debt reached almost \$1.4 billion, which translated into a 91.5 percent increase over 1979, while interest payments on the public foreign debt reached \$3,957,600,000 and "implied a smaller net transfer of resources since 1965."

He also explained that the greater share of private indebtedness in the country's foreign financing was a result of its notable increase from \$2,115,500,000 in 1979 to \$5,524,400,000 in 1980.

Finally, he said that for the first time in 10 years the gross long-term indebtedness of the public sector decreased in comparison with the previous year as a result of the "important restructuring of the public foreign debt with regard to its medium-term maturity."

8735

CSO: 3010/1099

## WHARTON: INFLATION NOW AT 'IRREVERSIBLE' STAGE

Mexico City EL SOL DE MEXICO in Spanish 9 Mar 81 pp 1-B, 4-B

[Article by Maria Esther Unzurrunzaga]

[Text] Starting last year, inflation has entered a "self-feeding" or "self-perpetuating" phase, which means that this phenomenon is already of an "irreversible" nature, for which reason it will be very difficult to achieve a significant reduction of inflation during 1981 and 1982 as compared to that of 1980.

This is the tenor of the forecasts on this subject made by the Wharton Econometric Forecasting Associates (WEFA) whose analyses of the national economic situation enjoy high prestige in both private and government circles in Mexico.

According to the Wharton analysis, it will be equally difficult to close the gap between the rate of inflation in Mexico and in the United States, this year as well as next, in spite of the fact that these goals were contained in the Global Development Plan. On the contrary, it will rise to 19 percent.

It is estimated that for this year it will only be possible to reduce the rate of inflation by 1.9 percent as compared to last year, thus reaching 28 percent.

Meanwhile, it is forecast that in the United States there will be an important drop in the rise of prices which will decrease to 9 percent this year from 13 percent last year, so that the disparity between the two countries will be 19 percent.

Though the projections for next year point to a reduction of 1 percent in the inflation rate of Mexico, the U.S. economy will have a similar tendency so that the disparity will continue to be maintained.

This disparity reverses significantly the tendency which was maintained in 1978 and 1979 since, beginning last year, the disparity once again began to increase in spite of the persistence of inflation in the United States.

Thus our prospects for leveling off our balance of trade by means of the exportation of Mexican products to the U.S. market are becoming more and more gloomy since, if parity should be maintained or not substantially modified, there would be a serious loss of competitiveness in the prices of those products.

9204

CSO: 3010/1100

## MINISTER OF INTERIOR DISCUSSES FOREIGN RELATIONS, REVOLUTIONARY PROCESS

Caracas BOHEMIA in Spanish 20-26 Apr 81 pp 44-47

[Interview with Minister of Interior Tomas Borge Martinez by Jesus Seguias; date and place not given]

[Text] Small of stature and small of eye, strongly built, with prominent lips, a flat nose, with well-worn tortoise shell glasses--he is typical of the true Central American Indian stock. In any case, Tomas Borge is a mystery to no one. He is a Latin American who decided, along with thousands of men as important as he, to become the principal conqueror of one of the most harshly condemned dictatorships in the world.

Defeating Somoza and launching a revolution have won Tomas Borge, the present minister of interior and one of the most prominent figures in Nicaragua, the most widely varied epithets. He is without a doubt the most harshly attacked Sandinist. Perhaps this is due to the fact that he is regarded as being "strongman" of the new regime.

Obtaining an interview with this controversial individual--the only surviving founder of the Sandinist National Liberation Front (FSLN)--is not easy. Many journalists, most of them staying at the Managua Intercontinental Hotel, come with unusual baggage--a suitcase packed with patience, if what they want is to interview Borge.

But it is not the proverbial "lack of time" which usually frustrates many of the international press reporters. No one can be unaware that today's Nicaragua requires of its leaders an almost slavish pace of labor. Destruction is everywhere. But Tomas Borge has another "weighty" reason for evading journalists. He is very concerned that he will be misinterpreted. This is the suspicion of a man who has been persecuted, jailed and tortured, and who saw many of his friends fall victim to the bullets of Somoza's forces. This is the bitterness of a man whose wife was tortured, possibly raped, and finally murdered and thrown into a common grave.

If he agrees to an interview, journalists must then submit to a brief time allocation of 15 or 20 minutes.

But with BOHEMIA, Tomas Borge decided to break silence. He decided to grant us a world first--a 2-hour interview. Not so much an interview, for the commander wanted to talk. And this was the most difficult thing, because he is a poet, and thus speaks spontaneously, without formality or much organization. Fortunately, we had a tape recorder with us.



This distinction accorded to us by Tomas Borge was due basically to the "immense respect and love we have for Venezuela," and the fact that "we appreciated the most valuable aid given us by the governments of Carlos Andres Perez and the current president, Luis Herrera."

#### No Satellite Nation

[Question] Mr Minister, there is much insistence in a number of countries, according to Nicaraguan citizens who have visited those nations, that Nicaragua is becoming a satellite of the Soviet bloc, more specifically of Cuba. What can you say about this?

[Answer] I want to stress that this is the first time in history that Nicaragua has ceased to be a satellite. And this was evidenced when the U.S. ambassador came here once Somoza had been defeated. I went to the airport to meet him and on his arrival I told him: "Mr Ambassador, for the first time in the history of this country, a representative of the government is welcoming you on his feet, because we have always welcomed you on our knees. I come to extend the hand of a friend to you because we Sandinists are excellent friends, just as we can be excellent enemies." We welcomed Ambassador Pezzulo in this way in front of the people.

[Question] But have you spoken with equal firmness to other countries?

[Answer] Yes. In speaking with the representatives of other large or strong or average countries, we have always set forth, in different words, this same attitude.

[Question] Including Cuba?

[Answer] We have maintained excellent relations with Cuba. We are not liars or petty politicians, and we will not deceive anyone nor do we want to do so. We are pleased by the relations we have with Cuba. But there has been a very special characteristic to these relations: profound respect of our decisions on the part of the Cubans, before and, with much greater reason, since our victory. When Fidel Castro came here he said that Nicaragua had taught Cuba many lessons. I do not deny that the Cuban revolution, like the Mexican revolution and other revolutionary experiences, has also been a source of lessons for us. But we in Nicaragua have drafted our own revolutionary course.

#### The Minister's Pigs

Tomas Borge insists that all of these charges are the result of an "international campaign designed to discredit the Nicaraguan revolution."

"Propaganda," he maintains, "is in this connection even grotesque. For example, the propaganda directed at the backward peasants in our country is designed to prove such improbabilities as the fact that the Sandinist revolution plans to shoot everyone reaching 30 on the basis of a decree soon to be promulgated." This led a group of young peasant men to join a band of counterrevolutionaries, because they were persuaded that they would be shot when they reached the age of 30."

"Also," he went on, "the most backward and poorest people in the outskirts of some cities such as Managua are being told that the level of Asososca Lake, which supplies

the capital with water, is dropping because, it is reported, we are providing water to the Cubans. Anyone would laugh at these statements, but we are not laughing because we know that they have some effect on the more backward sectors of the people. There have been terrible cases here, so perversely sophisticated that once a group of men began to round up the pigs in a region near Nandaime, telling the peasants that I had ordered them seized."

#### 'A Revolution Without Executions'

[Question] Mr Minister, Mr Jose Esteban Gonzalez (a Nicaraguan Christian Democratic leader) stated recently that human rights were being violated in Nicaragua and that many Somoza supporters had been shot.

[Answer] He is no Nicaraguan patriot, that is certain.

[Question] Is he not a representative of the Christian Democrats in Nicaragua?

[Answer] There are two Christian Democratic parties here. One approves of the revolutionary process--the Social Christian Popular Party. The other, profoundly reactionary, is the Social Christian Party, of which this individual named Jose Esteban Gonzalez is a member. He went to the Vatican to report that we were holding 8,000 prisoners and that we were torturing them.

Tomas Borge wanted to tell us about some parts of his speech to the Inter-American Human Rights Commission in October of last year. "We have nothing to conceal," he said, "not even our own errors or the abuses which have been committed. You were never able to talk to the peasants, under the Somoza tyranny, on whose goals they smeared grease so that the dogs would eat them. You were never able to talk to the men whom they flayed alive with straight razors, and on whom they poured salt and vinegar so that they would suffer until they died. For certain, you never talked with the peasant women who were raped (almost 100 percent of them) in the regions of the north of the country. More than 100,000 Nicaraguans were murdered. Suppose, Mr President, that your wife was murdered, as mine was. Suppose that your child or brother was brutally massacred, that your wife or your sister or your daughter was raped, and then you came to power. You might be of the moral stature of the leaders of this revolution, so as to refrain from vengeance against those who harmed you. But we cannot ask for this same attitude from the great mass of combatants who saw their brothers, their children fall, whose wives and daughters were raped, whose families were tortured and who perhaps themselves were the victims of torture. Still hearing the echo of the shots, and feeling the warmth of the freshly shed blood and the crimes committed, they came to power. The logical, the natural reaction is to shoot all those they find bearing arms, but the vast majority of the guards were not shot."

On hearing these statements by Borge, we must confess that we had gooseflesh. We believe it is difficult to assess the character of a man who just yesterday was confined and kept hooded for seven months, in other words who spent more than 200 days without seeing a gleam of light, and whom we have before us today at the head of the most important ministry in the government. Is it necessary to experience this to understand it?

[Question] Commander, it has been said that you too imprisoned many children.

[Answer] Yes, I believe that it was in Venezuela that this was reported. Indeed, on one occasion I took the wife of President Carazo of Costa Rica, for whom we have great

personal affection, to see the children in prison. Well now, these children who were arrested were taught a specialty--gouging out prisoners' eyes with a knife. This was one of the methods used by these children, monstrously deformed by the Somoza era, perhaps the worst crime Somoza committed. We decided not to try them, but to put them in a residential institution and give them psychiatric treatment.

[Question] Is it true that you murdered all of the prisoners who were in Tipitapa Prison?

[Answer] When Mr Murphy, a U.S. congressman, made that statement, I took some American congressmen and Ambassador Pezzulo himself to see the "dead men" of whom the congressman spoke. And these "dead men," of course, were wandering through the halls of the prison, despite the fact that the situation of those prisoners was regrettable at the time, because the prisons were closed, there were no resources, the crowding was tremendous, but I had no hesitation about showing them our situation. These are limitations we are trying to overcome with the building of a new prison, which will be the finest rehabilitation center for prisoners on this continent.

A Bridgehead?

[Question] The U.S. government insists that Nicaragua has become a bridgehead for the shipment of weapons to El Salvador by the Cubans and the Soviets.

[Answer] Well, this falls within the same context. There is an effort to make difficulties for the Nicaraguan revolution on all levels. They say that we are sending weapons to El Salvador but they have not offered any real proof. But let us suppose that weapons have reached El Salvador from here. This is possible. More than that, it is possible that Nicaraguan combatants have gone to El Salvador, but this cannot be blamed on any decision of ours. Our solidarity with that country and that people are part of the consolidation of our revolutionary process. But who can prevent any Nicaraguan from going to El Salvador? Moreover, we have prevented just this. Seventeen of our comrades in the police were seized as they were departing with their weapons for El Salvador. We were able to learn of it and detain them. How many may have escaped with their weapons to that country? And who prevented, for example, citizens of Honduras from coming to Nicaragua to fight against Somoza? I do not believe that the government of Honduras viewed the determination of some of its citizens to come and fight against Somoza very sympathetically.

[Question] What about the weapons that you are supposedly transporting via the Gulf of Fonseca?

[Answer] The weapons the Salvadorans purchased for combat were doubtless obtained from the United States, just as we purchased ours from there. We, on the contrary, advocate a political negotiation of the situation in El Salvador. Perhaps, if we are asked, we could serve as intermediaries as others certainly would. But it is not we who will promote this because the Salvadoran revolution and the problem of El Salvador are problems for Salvadorans, not the problem of the North Americans, or the Venezuelans, or the Nicaraguans.

[Question] What attitude would you adopt if the United States were to intervene directly, using its armed forces, in El Salvador?

[Answer] Well, I think that this possibility should be entirely dismissed. President Reagan would have to contemplate a decision of that nature very seriously. But, well, if such intervention occurred, what would we do? I would ask the Venezuelan people, to whom this interview is addressed in particular, what they would do if the United States intervened in El Salvador. Well, the answer is that our people would do the same as the other peoples in Latin America.

#### Invasion of Poland

[Question] Commander, in the event that the USSR decided to intervene in Poland, as happened in Afghanistan, what attitude would the leaders of the Sandinist revolution adopt?

[Answer] I believe that this is a matter so distant from us that we could not properly justify an opinion. This lies on the other side of the ocean, very far from our situation. However, we would not be responsible if we did not take into account the world implications the presence of the Soviet Union or of other socialist countries in Poland would have. If we were asked our opinion about this, we would say that the phenomenon will not occur. Moreover, I would ask what the people of Venezuela or Peru would do if faced with a situation such as this.

[Question] They would certainly condemn it.

[Answer] I believe that we would adopt the same position as the peoples on this continent.

#### Eden Pastora and I

[Question] Mr Borge, it is said that there are substantial differences between Eden Pastora and yourself, that he is a social democrat and that you represent the Marxist-Leninist hard line within the Sandinist movement, and that this presumed difference could cause problems for the process you head in the future.

[Answer] I did not know that this was still being said. It still is? I think not, but it by chance it is... There you see Eden embracing me (the minister showed us a photograph, the only one to be found in his office except for one of Sandino) but, well... a picture does not mean too much. Perhaps you can see what is revealed by each of our faces. But the most important thing is the concept we have of the revolution. Eden is a comrade with great virtues, and those I appreciate most are his simplicity, his revolutionary modesty and his extraordinary generosity. In other words, quite the contrary is true. If there is anyone here who has profound affection for Eden, it is I. Moreover, I would make bold to say that Eden feels great affection for me, too. He is an extraordinarily popular figure in Nicaragua, much beloved, with great charisma. What is happening is that the reactionaries believe that they could make use of this man, with all of his popular support. He himself has undertaken to ridicule all of these counterrevolutionary hopes, and if anyone still nurtures any illusions, we should abandon them completely.

[Question] But you have defined yourself in the personal sector, not in the political field. Are you a Marxist-Leninist and he a social democrat?

[Answer] Well, both he and I, are Sandinists.

Not a Marxist-Leninist.

QUESTION: Definitely, then, you are not a Marxist-Leninist?

ANSWER: Marxism-Leninism, Christianity and the other philosophical concepts of mankind are not foreign to our analysis. We have said that the Sandinist revolution needs up labels, apart from the extraordinary contribution the revolutionary experience and the revolutionary concepts from all over the world have made to us.

In fact, during a trip Commander Borge made to Libya subsequent to this interview, he stated that the "third theory" set forth by Qadhafi, differing from capitalism and Marxism, appeared to him much closer to the concept of Sandinism, and that they were making a serious study of all the original thinking of the Third World.

QUESTION: Do you agree with the "dictatorship of the proletariat?"

ANSWER: Well, the dictatorship of the proletariat does not exist in Nicaragua. What we have here is a communal democracy. But I think in any case that in any state, without exception, there is a dialectical combination of dictatorship and democracy. For example, in the Somoza era there was a dictatorship which behaved with ferocity toward the workers, the peasants, almost the entire people. And there was a limited democracy favoring the Somoza supporters, who enjoyed all the privileges, all of the freedoms. Now things have changed in Nicaragua. There is a broad popular democracy and a limited dictatorship aimed at the former dictatorship. This is the difference.

QUESTION: You were with capitalists?

QUESTION: Do you accept the existence of a mixed economy and democratic pluralism within the context of the Sandinist revolution?

ANSWER: The thing is, political pluralism and a mixed economy are not tactical concepts in our view, but a whole project; it is not for today nor for tomorrow. We want to integrate them within the strategy of the revolution. There are many businessmen working for the country, not with surpluses on the level they had before, because the rules have changed, and the distribution is different. However, this mixed economy project of ours is a permanent thing. Now if at some time this comes to an end, it will not be our fault.

QUESTION: It has been said that this position on your part is insincere, that in the country you are attempting to establish a totalitarian regime.

ANSWER: We are speaking seriously when we talk of political pluralism and a mixed economy. But what happens is that the thief believes that everyone is like him, and we think that we are deceiving ourselves, while the large part of our effort has been directed at persuading them that we are not liars, that historically it is they who have been the liars. Indeed, I made mention of this during the meeting I had last year with the Inter-American Human Rights Commission, of which I spoke earlier.

QUESTION: You said that we have realized that in order to be revolutionaries and to carry revolution forward it is necessary to have our feet firmly on the ground. We will take away the monopolies of the private sector and we would not lose power. We will do, but what with the economic development of this country is what is best



Let the 100-1/3-NM original citizens. Thus when we speak of a mixed economy, for a  
plutocracy, we are speaking seriously. We are not going to violate our principles,  
but we will not allow the decapitalization of the enterprises.

### Discussion

Question: Commander, if it is true that you are democrats, why do you not  
 organize elections right now?

[Answer] On one occasion, when the immediate holding of elections was urged, we answered no, because among other things we support political pluralism.

[Question] How is that? Isn't this a contradiction? It is presumed that convoking elections is an evidence of pluralism rather than the contrary.

[Answer] Look, if we had proceeded with elections six months after the triumph, or even now, the opponents of this process would not have elected even one-half of a deputy. Political pluralism would disappear. It would be a congress with a hundred Sandinistas if the congress had a hundred seats. And since we are supporters of pluralism, we are going to wait until they win some political space, until they achieve in terms of some party so that they can have some possibilities, some hope. I say this frankly. Moreover, we cannot lose time on an electoral process at this time. This would mean losing energy, resources, efforts, while the priority work is rebuilding the country. But elections will be held within a given time. We have already set a date. Moreover, there are parties in Nicaragua in open opposition to the revolution. The very existence of these parties shows the existence in practice of political pluralism. And the existence of a poison press shows that freedom of expression exists. And if anyone has doubts, let him read the daily newspaper LA PRENSA or listen to any recording of the so-called Radio Corporation.

[Whisper] It is instantly said that you are planning a state takeover of the news media which are in private hands.

Answer: No, we do have no such plan. But I am not forgetting what the former president of Costa Rica, Daniel Oduber, said to me recently. In his view we should make the private state monopoly, and he gave me as an example some European countries such as Sweden, where the state controls radio broadcasting. Radio is an important medium in our country. But despite the views of Daniel Oduber, we have no such plans in 1966. However, we bear in mind the opinion of this distinguished Costa Rican leader.

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Now, moving the mass of debris to Times Square is like putting the bomb in front of me. It's just instant, immediate and angry.

It is (1) — not that this character takes me into account, precisely that, since you take it — a moment ago of this individual, who has been making infamous statements about my group. I had a physical urge to vomit.



At this point we decided it was fruitless to talk with Tomas Borge about this  
"strongman" who until a few months ago was a member of the Nicaraguan National  
Reconstruction Junta.

In the event of invasion:

(Question) Do you believe that you can carry through the democratic project thanks  
to which you won power to the end, despite any circumstance?

(Answer) We have drafted a political program, and the handling of tactics must  
proceed in accordance with historical circumstances. If pressure is exerted upon  
us, if we are isolated, if our financing is cut off, if the heavy capitalists and  
bourgeoisie in Nicaragua decapitalize their enterprises, or if we are invaded, then  
we must adapt our tactics to these various circumstances.

And with this warning, the so-called "strongman" of Nicaragua bid us farewell. Tomas  
Borge. Like almost all the Sandinist leaders, dislikes being called "highest,"  
"leader," or "supreme." This seems to conflict with the notable modesty and  
simplicity which characterize any Central American.

Tomas Borge warned against any pressure or threat, domestic or foreign, which "would  
force us to adapt our line to these new circumstances." What will he say now that  
President Reagan has just cut off all economic aid to Nicaragua, and at a time when  
he may possibly be visiting Venezuela?

END

END (1/14/84)

## DEPUTY FOREIGN AFFAIRS MINISTER DISCUSSES CUBA, U.S. POLICY

Caracas EL DIARIO DE CARACAS in Spanish 31 Mar 81 p 4

[Interview with Nora Astorga, Nicaraguan deputy minister of foreign affairs, by Elizabeth Baralt at the Anauro Hilton Hotel, Caracas, 30 March 1981]

[Text] She came here to take part in the meeting of ministers of the Latin American Economic System (SELA). Yesterday, while the meeting was in recess, she discussed with EL DIARIO DE CARACAS several matters concerning her government's foreign policy. "Certainly we need the help of all the countries in the world."

It is astonishing to find that this woman, so youthful in appearance, with her long hair down on her shoulders and smiling timidly, is the deputy minister of foreign affairs of Nicaragua. Here she stands, in her yellow blouse and black pants, talking with other members of the Nicaraguan delegation to the SELA meeting. She didn't make us ask; she let us accompany her to the lobby of the Anauro Hilton for the interview.

Nora Astorga, a combatant during the uprising against Somoza, member of the Sandinista Front, attorney, mother of four children, speaks in a low voice. Sometimes her voice is inaudible. But she does answer.

QUESTION: One of the things attracting some attention and causing some concern is the present state of relations between Nicaragua and the administration of President Reagan. Could you explain us what terms these relations are being pursued and whether U.S. aids--considering the politics of the present administration--will hamper the progress of the Nicaraguan revolution?

ANSWER: We are aware, and you are also, that even during the electoral campaign, Reagan and his people maintained an aggressive attitude toward our country. They are trying, in all means, to destabilize our revolution economically, based on a series of assumptions--whether we are aiding El Salvador; whether they are creating dependencies which have not been proved, but whose interest is clear.

QUESTION: Charges that the U.S. Government, through the communications media, is "discrediting our revolution." She also refers to the withholding of the \$50-million. "They have expressed clearly that destabilizing our revolution economically is one way of defeating the revolutionary government. In this effort they have

maintained an attitude of constant provocation toward our revolution. Everyone knows, also, that there are camps of former Somozist counterrevolutionary guards in the United States, which have received a great deal of publicity in the American communications media."

[Question] On what terms, then, does Nicaragua maintain relations with the United States?

[Answer] We maintain relations with them, and we want those relations to be on the basis of equality and mutual respect, because Nicaragua has won the right to be free and sovereign, to decide its own future. And in this sense we want to have relations with the United States and all other countries which respect our right to self-determination.

[Question] [Omission in original text]...that I made to you at the beginning is whether the politics of the Reagan administration will not divert the advance of the Nicaraguan revolution simply because it depends on U.S. economic aid...

[Answer] We also have other sources of income. But logically, if they cut off our credit, our revolution will just be a little more difficult, but it will not cease to advance, because the Nicaraguan revolution will not stop; it will go on. It will only be more difficult. We definitely need the assistance of all the countries in the world.

[Question] Is Venezuelan aid continuing?

[Answer] Yes. It has continued to date. Venezuela aided us a great deal during the uprising, and it has also helped us since the victory. Up to now it has continued its solidarity.

[Question] Relations have not deteriorated?

[Answer] No.

Cuba and El Salvador

When she mentions the accusations against her government, to the effect that it is intervening in the internal affairs of El Salvador, the deputy foreign minister reiterates that these are arguments used by imperialism "to try to destabilize the revolution." And she adds: "We respect the principle of self-determination of nations. We feel solidarity with the people of El Salvador, and we want their crisis to be resolved in political terms."

[Question] As deputy foreign minister of Nicaragua, how do you view the aid given by Venezuela, on the one hand, to Nicaragua and, on the other hand, to El Salvador's Junta? Do you find any contradiction in that?

[Answer] The Venezuelan Government, being a sovereign nation, has complete freedom to carry on its international relations in accordance with its own views.

[Question] Also, among the accusations made against the Nicaraguan Government are some which refer to Cuban involvement. How is this Cuban aid given to Nicaragua?

[Answer] Cuba has aided us in many areas. But much is said about Cuban aid, and nothing is said of the aid we have received from Mexico, from Venezuela, from European countries...Cuba has helped us within its capabilities, and other countries have done the same. One of the questions brought up is the presence of Cuban teachers. The entire world turned out to help Nicaragua with its literacy campaign. They sent us Cuban, Spanish and Mexican teachers; Venezuela also helped. One of the most beautiful things about the revolutionary process is the solidarity and the aid we have received from many countries.

#### Changing Relations Between Men and Women

[Question] It is noteworthy for a woman to assume a position as important as yours. That is, it is unusual. Has being a woman caused you any difficulty in discharging your duties?

[Answer] Actually, no. Our country is in a state of revolution. This may explain many unusual things about us. Remember that the participation of women in the struggle for liberation was massive and significant.

[Question] Can it be said that your appointment was a recognition of that participation by women?

[Answer] Not necessarily a recognition. Relations between men and women are changing and have changed in our country. Regardless of whether I am a woman or a man, I am a member of the Sandinist Front, and I am deputy foreign minister, but this is irrelevant to my sex. It could have been a man or a woman.

[Question] Did you take over the post immediately after the victory?

[Answer] No. I have held several positions. For about a week I was deputy minister of justice. After that I was head of army finances, a post I held from August to October, when I was named special prosecutor for the Justice Ministry, that is, I represented the government and the people in the trials of the Somoza criminals, the war criminals.

And, she says, there were about 6,300 criminals tried. One thousand were freed, and on International Human Rights Day, 513 pardons were granted. In December, 1980, 70 more women were pardoned. The trials lasted from October, 1978, to February, 1980. After that, Nora Astorga joined the Ministry of Foreign Affairs.

[Question] What are your plans, in the short term, for your office?

[Answer] To consolidate ties with the various countries. For example, SELA is devoted to us, because it is a Latin American forum, and we are interested in Central American unity in beginning to negotiate, under different conditions, with industrialized countries. We want to secure relations with all the countries and to continue to achieve our independence in all areas.

[Question] In these nearly 2 years of revolution, have Nicaragua's relations with other countries improved? How has the process of adapting international relations to the Nicaraguan revolution evolved?

[Answer] It has been evolving, definitely. It has been consolidated.

[Question] How about relations with Argentina and Chile?

[Answer] We maintain relations with Argentina and Chile.

When one is "Superwoman"

The conversation concludes with a look at her daily life. Married, four children, 32 years old...How does she manage to combine the duties of homemaker, mother and deputy minister? For this she also has an answer.

"A woman always needs more strength than a man. In Nicaragua we have, in addition to our administrative duties, our party work; we have our membership in the Sandinista people's militia, in our mass organizations, and we also have our family duties. What one does is try to be a sort of superwoman, to give each thing its place, and especially to give attention to our children."

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## IMPORTANCE OF UNAG'S CREATION EMPHASIZED

Managua BARRICADA in Spanish 27 Apr 81 p 2

[Editorial: "UNAG--A New Bastion of National Unity"]

[Text] As the curtain of the Ruben Dario People's Theater goes down indicating the closing of the constituent assembly of the Farmers and Cattlemen's Union (UNAG), an initial evaluation of the historical importance of this event is absolutely necessary.

establishment of UNAG marks the closing of one organizational chapter and, at the same time, the opening of a new one, caused by the emergence of small and medium producers as an organized force in the country's economic and political life.

Therefore, the scope of that process cannot be limited to the immediate present, but rather should be tied to the effects that this organization will have on the country's activity and on the struggle being waged by all the patriotic and revolutionary forces headed by the FSLN [Sandinist National Liberation Front] to oppose imperialism.

#### 1. An Organization Forged in Struggle

The first point that stands out from the incipient UNAG is its organizational quality. Differently from the country's bourgeois groups, accustomed to establishing letterhead organizations based on their influence on the mass media, prominent personalities and their economic power, UNAG came into being literally from the bottom.

In that connection, not only the stimulation that the revolution is giving this sector of social process is observed, but also the proper assimilation of the whole wealth of struggles and experience in the field. This time, the geographic dispersion, the complexity of production activities in which the producers are involved, the stigmas of the manipulation that the large producers exercised on them traditionally, and the difficulties raised by their relationship with the state machinery, were not insurmountable obstacles for taking the organizational leap.

UNAG originated from organizations on the district, municipality, department and regional levels, until it became established nationally.

Dist. 14 pointed out by the main report submitted to the assembly by Comrade Manuel Gonzalez, the organizational process of UNAG was based on the struggle and



the special demands of the small and medium producers in the various regions of the country. This explains why, even before its national establishment, UNAG won a series of economic and political demands that greatly increased its organizational potential and that make it possible to strengthen recognized leaders who emerged from the sector and who now enjoy the confidence of over 100,000 small and medium producers.

With this background, it was impossible not to expect a successful constituent assembly in which approval was given to basic documents like the regulations, the declaration of principles and the struggle plan that will serve as a guide for the leaders of the new organization to channel it around its own interests, which are the interests of the revolution.

#### 2. Future Courses of Action of UNAG

The new period opening up at present for small and medium producers is restricted by the difficult situation through which the revolution is going as a result of the aggressive policy designed against Nicaragua by the more reactionary sectors of the Reagan Administration.

This factor, together with the limitations confronting the revolution as a result of the heritage of capitalism, requires greater effort and sacrifice by all the people of Nicaragua in the struggle for rebuilding the country. And, above all, it makes it necessary to weld together all the patriotic forces around unity of the workers and concrete tasks, in order to oppose aggression.

The patriotic readiness of the producers organized in UNAG to unite forces to support and strengthen the revolution means, therefore, substantial support of the nation's anti-imperialist unity and a guarantee that over 100,000 small and medium producers are ready to coordinate their efforts with the state to rebuild Nicaragua economically.

Just as in politics UNAG means a conquest of independence of small and medium producers in face of large producers and a strengthening of their alliance with city workers and other patriotic forces in the country, in the economic field it will make possible a better organization of the country's productive forces in the agricultural-livestock sector.

Along that line, two courses of action are planned for the near future. They stem from the speeches made by Revolution Major Victor Tirado and Revolution Major Jaime Maselock in the closing ceremony. On the one hand, the decision by FSLN to support UNAG's membership on the Council of State and, on the other hand, the specification of new measures for intensifying agrarian reform.

The future to follow is full of difficulties, but, as UNAG's organizational experience itself shows, they can be overcome when a lofty spirit of patriotism and sacrifice and full confidence that we are progressing toward the building of a new society prevail.

## LABOR LEADERS COMMENT ON MAY DAY CELEBRATIONS

Managua LA PRENSA in Spanish 30 Apr 81 pp 1, 6

[Interview with labor leaders Jose Espinoza and Alvin Gunthrie, secretary general and deputy secretary general of the Labor Unity Federation; Enrique Velarde, leader of the Federation of Nicaraguan Workers, and Denis Melendez, secretary general of the Sandinist Workers Federation, by Adriana Guillen, of LA PRENSA; date and place not specified]

[Text] With the arrival of May Day, LA PRENSA brings to its readers the opinions of labor union leaders, both of the FSLN [Sandinist National Liberation Front], and independents and workers who express their points of view on this important topic.

The Labor Unity Federation [CUS] dates its organization back to 1961. It was repressed under the Somoza dictatorship to the point of assassination of its leader, Luis Medrano Flores.

Jose Espinoza and Alvin Gunthrie, secretary general and deputy secretary general of CUS, answer LA PRENSA's questions.

[Question] What is the situation of the working class at present in Nicaragua?

[Answer] Conditions have improved. Nevertheless, the working class is experiencing a serious crisis at present, because there is an attempt to create one single line of thought in the working class: Marxism-Leninism.

It is critical, because the government sector is trying to take over protection of the workers' interests, thereby subordinating the workers' interests to the interests of the party.

The situation is made worse, when the workers see that they are up against the Bureaucracy, because they know that, in addition to being an economic and political power, it is an armed party.

If labor unionism comes under control of the government party, the same will happen to it as happened to the CGT [General Labor Confederation] under government party control, which was weakened when the Somoza party disappeared.

[Question] What does voluntary labor mean with regard to the victory of the 8-hour day?

[Answer by Espinoza, summarized] Espinoza answered that this may have been a historical necessity in a national emergency, but leaving it as a routine practice is against the workers and in violation of article 7 of the Labor Code, which states: "that they are unrenounceable rights."

"Precisely," Espinoza added, "this 8-hour workday was what gave rise to celebration of the International Labor Day, ratified by the ILO."

Espinoza expanded the concept more and pointed out:

"It is interesting to see how some countries with a capitalist economy have continued to shorten that workday by specifying 40 and even 30 hours of work a week; for example, England, France, the United States, while countries with a Soviet socialist economy have been increasing the length of the workday without achieving greater productivity or benefits for the workers. A concrete example is Cuba."

[Question] What prospects do you see for the labor union movement?

[Answer] This May Day 1981 will mark a milestone in the history of Nicaraguan workers, because it will determine concrete positions concerning what the relations between employers, political parties, the state and the workers should be.

It will take out clearly nationalist, anti-imperialist positions, thus becoming the most important day for the history of our class. Our conception is social democracy, but not Marxist. We want worker comanagement with direct participation by the workers, because in that way the workers themselves achieve their own self-improvement.

Interview with Enrique Velarde

Enrique Velarde has been a worker in the Corona Olive Oil Plant, a bus conductor and a bus driver. At present, he is head of the CTN [Federation of Nicaraguan Workers].

His statements follow:

[Question] In 1885, Chicago workers were in the vanguard of a struggle for the 8-hour workday. But, at present, in Nicaragua, we are seeing how this demand is moving backwards, because the workers are constantly being enticed into voluntary work. Do you believe that the labor union struggle in Nicaragua is moving toward the satisfaction of greater grievances?

[Answer] By means of the analyses, we have been realizing that the conquest of the three 8's, a conquest for which many died, including the Chicago martyrs, was a very positive achievement.

The three 8's meant 8 hours of work, 8 hours of study and 8 hours of rest. In Nicaragua, we have seen, after the victory over Somoza, that the working class has not obtained all the achievements that it should.

It has been indeed obtained a 75-percent, an 80-percent success in the field of organization.

## There Is No Such Voluntary Labor

[Question] Do the Red-Black Sundays and the voluntary labor asked of the workers contradict the winning of the 8-hour workday?

[Answer] Yes. We are aware that the workers are being pressured and this is against the working people, in addition to being detrimental to enterprises, because productivity is undergoing a decline.

There is no such voluntary "Red-Black." The worker arrives under pressure, loses energy and does not progress in the revolutionary process.

[Question] Are collective agreements a benefit won by the working class?

[Answer] Article 22 of the Labor Code protected the workers when it specified that the workers themselves, through their organizations, should be the ones to state their grievances in accordance with the situation in which they are.

But a revision of article 22, approved by the Sandinist Government, violates the international convention and worsens the situation of the working class in Nicaragua.

[Question] Does this revision benefit the Sandinist Government politically?

[Answer] Yes, because if workers in private enterprise obtain certain victories in their collective agreements, workers in the service of the state are going to address the same demands to the Boss-State and what the government has done since the triumph of the revolution is sacrifice the workers, especially the rural workers and workers in the health sector.

[Question] What prospects do you see for the independent labor union movement?

[Answer] We believe that the solution in Nicaragua is the Federation of Nicaraguan Workers for achieving the workers' victory, which is management of companies in our hands by means of comanagement until self-management is attained.

With Denis Melendez

Denis Melendez is secretary general of the Sandinist Workers Federation. He is a labor union activist with the worker movement. We interviewed him in the middle of preparations for the official May Day demonstration being organized by the Labor Union Coordinating Board.

[Question] Do you believe that the workers of Nicaragua are being abused in their demand for the 8-hour workday when they are asked to work voluntarily and on Red-Black Sundays? What are the achievements of the working class after 10 July (1979)?

[Answer] Labor union organization is the most important thing. Improvement of working conditions, occupational safety and collective bargaining by the workers have been a way for improving the workers' living conditions. Comparative figures show that from August 1961 to July 1979 only 98 agreements were signed. From July 1979 to July 1980, 112 agreements were signed in the Ministry of Labor.

[Question] Do you participate as a labor union federation in preparation of the national budget in such a way that you can apply specific amounts of the budget--you speak of economic limitations--to items benefiting the working class and not to military expenditures, for example, that do not benefit them?

**Victims of Blackmail**

[Answer] We have been participating and evaluating the attainments since the first planning effort in July 1979.

Indoubtedly, the items that have the largest amount allocated are Health and Education. This is consistent with the strategic plan of the revolution to improve living conditions. And although it is true that the military sector has a budget, this also is to meet the needs of the revolution. At this time, we are being the victims of blackmail and aggression by the warmongering circles of the Reagan Administration.

And there is obvious evidence of military aggression, training camps in the United States and Honduras, so that the people and the workers have to prepare themselves to defend the revolution militarily. We do not harbor a warmongering spirit. We are fond of peace and of reconstruction of our economy.

But part of our funds must be spent on the military to defend our revolution that cost us so many lives.

[Question] The 8-hour workday demand is ignored when voluntary Sundays and workdays are organized. How can the workers recover their strength without this rest?

[Answer] It is not disregard for the heroic effort made by the workers in Chicago and other cities of the United States to reduce the workday to 8 hours, but, rather, the lamentable state of the economy in which we were 55 percent destroyed by the former regime, the foreign debt, pillaged trade, the thousands of unemployed and underemployed workers.

In view of this terrifying situation, our organization believes it necessary to appeal to the workers to make a heroic effort voluntarily.

**Good Cuban Example**

[Question] But what strikes my attention is that you have brought in some Cuban workers whom you have set up as examples, who work without demanding pay, day and night. They are work machines. And when you set them up before the workers as examples--and they are workers who come from Cuba after 20 years of revolution, where you certainly has already passed but where they still use those workdays and the workers give up their demands for an 8-hour workday, are you saying that this is what the Nicaraguan workers should do?

[Answer] We have never told you that any worker should give up the victory of the labor workday. What is happening is that an improvement in living conditions must be combined with an improvement in working conditions. It means that in our country there have to be given education, medical care and that new sources of work must be opened up.

And that indicates to us that the workers will have to make some effort to reorganize the country's economy.

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POLITICAL PARTIES SUPPORT UNITY DIALOGUE WITH FSLN

PSD's Luis Rivas

Managua LA PRENSA in Spanish 3 Apr 81 p 17

[Interview with Dr Luis Rivas Leiva, political secretary of the Social Democratic Party, by LA PRENSA in Managua, date not given]

[Text] Following the initial conversation looking toward a prospective national dialogue, a conversation held by the democratic political parties with the national executive of the FSLN [Sandinist National Liberation Front] last Tuesday, newsman from LA PRENSA contacted Dr Luis Rivas Leiva and asked him to give his opinion about that meeting.

[Question] Dr Luis Rivas, as political secretary of the PSD [Social Democratic Party], what is your opinion of the talks which Nicaragua's democratic parties held with two leaders of the FSLN last Tuesday?

[Answer] Our party views as very positive the FSLN's attitude in trying to find ways that may lead to a solution of the acute economic, social, and political problems experienced by the Nicaraguan people.

We wish to prove to our numerous followers and sympathizers as well as to our people in general that the Social Democratic Party initiated an open and sincere dialogue some time ago because it considers this a viable method to present viewpoints in the search for a practical solution for our national problems.

[Question] What results do you envision from a national dialogue given that Nicaragua's problems are of various types and, additionally, are so radical that they call for shared efforts and sacrifices?

[Answer] Starting from the fact that our economic plight is obvious, that there is a visible deterioration in our social setup, that the image of our revolution has faded gradually both nationally and internationally, that the democratization process that we expected from this revolution has not occurred, and that some of these ills could be overcome through sincere and honest national unity, I would suspect that the prospects are good, starting with this initial meeting with



take place in an environment of common concern to find a solution to our national problems.

[Question] What is the attitude of the PSD toward the revolutionary process?

[Answer] Our party has spoken out at length on this score. We have repeatedly asserted that we support the Nicaraguan revolutionary process but that we emphatically reject and will never approve the use of this process to establish a military dictatorship of Marxist-Leninist persuasion.

Our party considers itself to belong to the democratic, anti-imperialist left, but not to be dogmatic. We believe as social democrats and as Christians that to bring about a more just and egalitarian society, changes in our society must be sought, but in a context of freedom and democracy, in an evolutionary manner rather than imposed by force. These changes must be achieved while taking into account our traditions, customs, idiosyncracies, and religious beliefs.

[Question] Is there a bloc made up of the other parties, the two independent labor unions, and COSEP [Higher Council of Private Enterprise], of which the PSD is also a member?

[Answer] There is no such bloc in the strict sense of the word. What does exist is a common denominator, a common interest in the struggle to achieve genuine democracy in Nicaragua. One also finds among the organizations mentioned in your question many practical overlaps which have prompted us to sign joint declarations and to hold evaluation conferences and periodic meetings to exchange information and viewpoints. That a bloc might be formed in future among all the organizations mentioned is something that I cannot predict now. Everything would depend on the historic conditions of the times that we would be experiencing in Nicaragua.

[Question] Would a dialogue with the FSLN mean a change of attitude toward that party's policy or, even more, some type of alliance or understanding with the FSLN government?

[Answer] In no way can this meeting mean a change in the PSD's ideological and political posture because we could never renege on our past struggle whose purpose was and continues to be to establish a program of political freedoms in Nicaragua. That is precisely what our people seek.

Our party wants neither assignments nor positions in the government.

We seek the best for our people and our plans will continue to be oriented in that direction. We wish in the immediate future to see a happy people who would all be brothers and among whom the exploitation of man by man or of man by state would not exist.

## PLI's Robelo Herrera

Managua EL NUEVO DIARIO in Spanish 3 Apr 81 p 7

[Text] Dr Rodolfo Robelo Herrera, vice president of the PLI [Independent Liberal Party], told EL NUEVO DIARIO of his satisfaction at seeing the new movements favoring national unity through a patriotic dialogue proposed by the national executive of the FSLN and whose implementation is already under way.

"The people, the citizenry, the nation, and especially the political, business, and religious leaders must be completely aware that in the unlikely case that a movement against the revolution were to succeed and the present leadership were to be ousted from power, it would not be Christian Socialists or social democrats or members of the MDN [Nicaraguan Democratic Movement] who would assume the running of the government but rather the followers of Somoza and former National Guardsmen of the ilk of Gonzalo Evertsz, Gustavo Medina, Ascensio, Alesio Gutierrez, and perhaps Chiguin, and thus we would lapse into a dictatorship worse than that of Pinochet in Chile or that of the latest instigators of the fascist coup in Bolivia," the PLI's vice president noted.

### Reason for the Support

Robelo Herrera, a fighter in the anti-Somoza cause since his student days and a promoter, together with the other leaders of the PLI, of far-reaching structural changes in the social, economic, cultural, and other fields, added that it is incidentally for the above reason that his party supports the national unity movement which encourages the Sandinist National Liberation Front [FSLN] and other organizations identifying with this patriotic concern "since, otherwise, disunited, all of us Nicaraguans would run the risk of falling into a tyranny worse than that which was toppled on 19 July 1979."

### They Are Deceived

The PLI's vice president said that he believes that it is in this respect that some people do not seem to have improved, including the leaders of the movements which persist in challenging the revolution under the assumption that they would move into office on ousting the present leadership of the FSLN and the FPR [Popular Revolutionary Front] which includes another coalition of parties.

### Somoza Followers Eager To Return

"Don't think that the followers of Somoza and especially the petty generals and petty colonels living in Miami and other locations in Central America are ready to reassume power and share it with those who are opposed to the Front today.... Should they (the Somozists) manage in said case to reverse this situation, it is in order that they may seize power themselves and return to the dark night of the Somoza era with everything that it represented for our poor and long-suffering Nicaragua," Dr Robelo Herrera told EL NUEVO DIARIO.

"Accordingly," he added, "national unity without reservation is a patriotic obligation, our country being threatened as it is by attacks and provocations from the most reactionary sectors of the continent, especially from Central

America and the United States which back the Somoza followers in the perverse hope of being able to do what they wish in our country."

#### Dialogue, A Necessity

"Whoever fails to understand this is obviously wrong," Dr Robelo Herrera said, given that the call to a patriotic dialogue by the national executive of the FSLN is "more than an imperious need, a commitment to our people and future generations."

#### Chile's Memory

"Let what happened in Chile not be forgotten, specifically when Eduardo Frei believed that by attacking Salvador Allende together with the army he was going to rule jointly with the military following Allende's toppling and assassination. The example is still fresh: The Christian Socialists were ousted and a dictatorship of the worst kind was installed in Chile. Let us not forget this. Let the Nicaraguan people not forget it nor the parties which are challenging the FSLN today. If the National Guards and the Somoza movement were restored, they would not share anything but rather would once again monopolize everything for themselves. Let there not be the slightest doubt on this score," Dr Robelo Herrera concluded.

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## COLUMNIST QUESTIONS FUTURE AID FROM SOVIET UNION

Managua LA PRENSA in Spanish 28 Apr 81 p 2

[Article by Fernando Sequiera: "Will the Soviet Union Help Us?"]

[Text] The success or failure of our revolution depends, among other things, on the economic development that we can achieve over the next few years. In turn, economic development depends, among other things as well, on the levels of production and productivity that we achieve and on the international financing we can secure for such development.

This is why it is so important to find out whether the Soviet Union is or is not willing to provide us economic aid to achieve the degree of development that this revolution needs to survive or be successful. I said the Soviet Union because we have to clearly realize that the only nations that can furnish the amounts of steady financing that a country like ours requires for its economic and social development are the United States of America and the USSR. The Venezuelans will be able to continue giving us \$20 or \$30 million for a few more years, and this could also be the case with the Mexicans, the West Germans, the Swedes and all of the other nationalities that have so generously extended a hand to us. But what this country needs far exceeds what all of them together would be willing to give us, because we are talking about at least \$2 billion over the next 5 years, and only if the Americans or the Soviets take the initiative could we come up with those amounts.

Now then, all indications are that the Americans are not willing to continue helping us unconditionally, without regard for our revolution's ideology or for the solidarity it might feel for our neighbors. We can continue to make common cause with Soweto, Namibia, the Polisario Front and even the Palesine Liberation Organization (though here perhaps we would have to proceed with caution) but not with the people next door. The Gringos do not seem to like this, and since we are determined here to continue making common cause with at least the liberation struggles of El Salvador, Honduras and Guatemala, then we should also realize that the Americans, now under Reagan, will not want to keep on financing us.

Many people will wonder, however: Knowing all this, how can we continue pursuing our current foreign policy? Here is where the Soviet Union comes to the rescue. It is sheer speculation that the Russians have no money and that they have their own problems of providing a better living standard for their people, of pursuing their space program and of keeping up with the United States in the

arms race (all of this is what Robelo says Castro told him), because I find it hard to believe that the Russians, having invested so much time, effort and money in Cuba, all of which has now borne its first fruit (Grenada does not count), which is none other than "socialist" Nicaragua, nestled in the heart of the continental Americas, are going to say that they do not want to or are not willing to harvest that fruit. And harvesting that fruit entails what Cuba has already required of them: massive economic aid. This is the only rational explanation for Nicaragua's desire to develop socially and economically and at the same time to pursue its current foreign policy.

Some would then ask: Why aren't they helping us already? Because the Russians are not stupid and are first allowing us to get all we can out of the Americans and the other Western countries before lending us a hand. We must also bear very much in mind that the Russians have to be somewhat cautious with their U.S. archrivals. In addition, they have to lay the groundwork for a subsequent infusion of economic aid, and laying this groundwork involves, among other things, creating the need and even the humanitarian motive, we might say, for a justifiable economic intervention by the USSR in what has historically been the backyard of the colossus to the north. Moreover, if they sent us a check for a million rubles today, we wouldn't know what to do with it. Furthermore, the Russians do not yet have the infrastructure here that they need to help us use those rubles properly.

Little by little, however, Nivas are replacing Jeeps, TASS is coming, as well as consular and embassy personnel, Aeroflot, technical, cultural and trade cooperation missions, and everything else they require to provide us with the aid that we need so badly, all of this being infrastructure that the Gringos have had established here for some time now.

They have, for example, a large diplomatic and consular mission, they have the AID, they have Pan Am (although people are saying that it is gone), they have the OAS, they have the Council for the Americas, they have transnational corporations (Coca Cola and Pepsi Cola, Esso, Chevron and Texaco, Sears, the Bank of America, UNITED PRESS INTERNATIONAL, etc) and they have the American School, the American Chamber of Commerce, the IDB, the Central American Bank of Economic Integration, the World Bank, the IMF and who knows what else, including the CIA. The Russians do not yet have all this, though they are already on the road to having all this...and more, because if we take a look at Cuba, we will find there the equivalent of all this...and more.

Thus, the people who are worried about where the money to make progress will come from should show a little patience, because in due time it will come from the USSR, when everything has been properly prepared, readied and served.

To summarize:

1) The only countries that can really help us are the United States and the USSR.



- 2) The United States is helping us, but conditionally.
- 3) The revolutionary government does not accept aid with strings attached and, furthermore, wants to continue its policy of solidarity and internationalism.
- 4) The Soviet Union must be anxious to help us, as it did with Cuba, but does not yet have the infrastructure it needs to do so; meanwhile, it is letting us get everything we can out of the Gringos and Company, Inc
- 5) If Russia gave Cuba aid, it will give Nicaragua aid too.

I have been able to come up with only one argument that could refute all of the logic on which this article is based. It goes as follows: If all of the above is true, why didn't the Russians help out Jamaica when it was in apparently the same situation as we are? Is what Robelo says Castro told him perhaps true? Or is it like chess, where a player often sacrifices one piece to save another? Or is it because in Jamaica Mr Manley did not come to power by means of an armed revolution of the people?

Time will tell, and maybe we might even reach an understanding with the "enemies of mankind" on a plane of "realistic politics."

January 1981

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CSO: 3010/1279



## CATTLEMEN RETURN FROM CUBAN VISIT

Managua BARRICADA in Spanish 28 Apr 81 p 13

[Text] Matagalpa--After a 15-day stay in the sister Republic of Cuba, a delegation headed by Comrade Daniel Nunez, in charge of the Fifth Regional Board of MIDINRA [Ministry of the National Institute for Agrarian Reform], and consisting of Comrade Benito Rodriguez, a cattleman with much experience from the Department of Jinotega; Ramon Aldana Aldana, a coffee producer from the Department of Matagalpa, and Ronaldo Fonseca Martinez, of the Cattlemen's Association of Matagalpa, has returned to Nicaragua.

On Saturday 25 April they reported the results and impressions that they brought back from their visit.

They toured four provinces on the island for 15 days, visiting primarily enterprises associated with agriculture and cattleraising, in addition to textile plants, artificial insemination laboratories, hog and poultry farms, schools and other places.

Comrade Daniel Nunez stated that, on a previous visit, a MIDINRA delegation had signed an agreement with the Cuban Government, to the effect that Cuba was going to furnish 2,000 purebred bulls for development of our cattleraising industry and Nicaragua would give, in exchange, 2,000 young bulls, but only the meat, because the hide and the innards would stay here. He said that when this agreement was reported, some persons stated that there was no such development in Cuba and even that there was foot-and-mouth disease. The invitation was extended to these private initiative producers so that they might go and observe the development of Cuban agriculture and livestock.

Comrade Jose Benito Rodriguez said that those people are full of a great revolutionary love and they show it when they say: "We have to produce. We have to set goals and, if we set them, we have to exceed them." They are agreed on stating that Cuba's agriculture and livestock-raising have a complete development. Cuba has no reason to envy any other country. Rodriguez said that he has had an opportunity to visit farms in Israel, the United States and Europe and that Cuba does not lag behind.

Among the places and enterprises visited by them are the Eastern Genetics Enterprise, in Picadura Valley, with an area of 4,400 caballerias [1 caballeria = 33.2 acres], or a total of 44,000 manzanas. Forty-four thousand cows are handled in this enterprise, 12,000 of which are milked for a production of 102,000 liters a day, increasing by spring to 160,000 liters a day. There are some cows among the dairy cattle that have yielded up to 50 liters in one day.

one of the most modern dairies in Cuba, called ROTOLAXTOL, where 1,000 cows are milked with an average of 30 liters per cow, entirely mechanized, is located in Pera Valley. At Escaleras de Jaruco they explained to them the various cross-breeds that have been carried out to yield the Siboney breed.

In Torrientes Valley, they visited the Victoria de Giron citrus enterprise, with a planted area of 34,000 hectares, 60 percent of which are for oranges, 25 percent for tangerines and lemons and 15 percent for grapefruit, all with different kinds of irrigation, like drip, spray, and so on. Here, 140,000 metric tons of citrus fruit are produced annually. Three thousand three hundred plants are set out per hectare. There are 1,500 kilometers of asphalt roads. The whole enterprise has 3,300 workers, with 58 modern schools and 30,000 students.

The Cattle Genetics Enterprise, in Matanzas, in Tiunvirato Valley, with an area of 30,000 hectares and a total of 62,000 animals, established in 1971, achieved, already in 1980, a production of 54.1 million liters. In this enterprise, they have succeeded in obtaining another breed called Mambi, by means of crossing Holstein with Sabu [Zebu]. There are two Cuban-made computers in this enterprise for its better operation.

The Manicaragua Livestock Enterprise, in Santa Clara, which has 42,454 cows from various enterprises, on one of which 2,200 cows are milked. Here, one of the best cigars on the island is produced and exported to Spain. It produces 40,000 metric tons of tobacco a year. They visited stables with thoroughbred horses, cuerhorses [quarter horses] and domestic horses, which are excellent. This same enterprise has 55,000 head of swine. Cleanliness, hygiene and technology are remarkable.

They visited the La Quinta Poultry Unit, named after Ricardo Lopez Castro, located in Villa Clara, in Santa Clara Province. It was established in 1979 and has 214,000 egg-laying hens producing 160,000 eggs a day. They have 11,500 hens per breed. Everything is handled with automatic controls. The delegation was in Salamina 2, a hog farm with 35,000 fattening hogs. When the hogs are marketed, they weigh 96.6 kilograms. Each module shelters 486 hogs. The artificial insemination center, established in 1974, is here in Villa Clara. There are 113 purebred bulls, including Holstein and Brown Swiss, producing semen.

They visited other places important to production, in addition to tourist and cultural centers. On this profitable tour, according to their own words, the lie was given to all the confusion-causing propaganda that imperialism has developed concerning the Cuban people and their revolution, just as they are doing now with our country.

Comrades Jose Benito Rodriguez, Ramon Aldana, Ronaldo Fonseca and Daniel Nunez stated that it is a pity that our internationalist brothers, who are helping us and who are doing this under difficulties and deprivation, are the recipients of insults and slander from some persons, knowing that they have no need for going through those situations, because in their country they have everything, but their attitude is logical, because of the great culture and revolutionary awareness that Martí's people have.

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## BRIEFS

**SOVIET PEACE COMMITTEE DONATION**--In a gesture of solidarity with the recently formed Nicaraguan Peace Committee, the Soviet Peace Committee has donated office equipment and supplies and a Niva automobile. The committee will soon be in operation in this capital. Eugenio Federov, the chairman of the Soviet Peace Committee and deputy chairman of the World Peace Council, symbolically presented the donation to Reynaldo Antonio Tefel, a member of the Nicaraguan Peace Committee. [Excerpt] [Managua BARRICADA in Spanish 30 Apr 81 p 12] 8743

**MINERS, CONDEMINA SIGN AGREEMENT**--Siuna, Department of Zelaya (special correspondent)--A momentous first agreement was signed here last Sunday between mine workers and the Nicaraguan Mining Development Corporation. It includes more than 10 million cordobas in wage and social security boosts and occupational safety benefits. The agreement has a life of 2 years and was signed on Sunday by the minister of mines and hydrocarbons, Carlos Zarruck and the deputy minister of the Nicaraguan Mining Development Corporation, Ramiro Bermudez. Five representatives from the mine workers unions of Rosita, Siuna, Bonanza, La Libertad and El Limon (the Francisco Meza Rojas Complex), Labor Minister Virgilio Godoy and Guerrilla Commander William Ramirez, minister of INNICA and a delegate of the National Directorate of the Sandinist National Liberation Front, attended the signing ceremony. The following are some of the commitments that CONDEMINA made in the agreement: 1) To pay the rent on the miners' housing units, as well as for repairs on run-down dwellings; 2) To provide an 11.2 cordoba a day food subsidy for mine workers and workers outside the mines who earn less than 2,500 cordobas; 3) To keep the commissaries well-stocked; 4) To improve transportation facilities at the five mining complexes; 4) To conduct regular health care checkups on the miners; 5) To install drinking water tanks at the five complexes, as well as dispensaries at each work section; 6) To provide workers with dark glasses, protective capes, uniforms, boots and helmets and to promote culture among the workers through libraries, schools, athletic activities, scholarships, etc; 7) To respect the legal rights of organized labor (one of the most important features of the pact); to grant leaves of absence for union activities and partially paid leaves of absence in the event of marriage, death of a relative; to contribute 1,500 cordobas for the wake and burial of miners or their next of kin. The agreement also establishes 2 November as "Miners Day." [Excerpts] [Managua BARRICADA in Spanish 6 May 81 p 12] 8743

MILITARY ENGINEER CORPS--The military engineers left yesterday. They form one of the most important battalions. Manuel Baldizon, commanding officer of Battalion 20-05, describes it as "the military engineer corps responsible preparing the ground on which combat will take place." But the work of the engineers is much more critical. They are the ones who install and deactivate mines, handle explosives, destroy and build bridges, do engineering work for moving troops or armored vehicles. In short, a series of vital tasks in modern warfare. Military Engineering Battalion 20-05 consists of city workers, workers in general and professionals from various production centers in the capital (INRA [National Institute of Agrarian Reform], IFAGAN [expansion unknown], INE [expansion unknown], and so on), as well as from the eastern districts: Villa Venezuela, Villa Libertad, La Nicarao, Ducuali 14 de Septiembre, Las Mercedes, Camilo Chamorro, Unidad de Propositos and other north-eastern districts of Managua. [Excerpt] [Managua BARRICADA in Spanish 3 May 81 pp 1, 5] 10042

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CARONI ENDS CANE GROWING, FARMERS TO LEASE LAND

Bridgetown SUNDAY ADVOCATE-NEWS in English 3 May 81 p 9

[Text] Port of Spain, Trinidad, Saturday, (CANA)--The State-owned company, Caroni Limited, is dropping out of sugarcane cultivation next year, but will remain in the sugar industry, a spokesman has said.

All sugar lands, other than those that will be needed for livestock-rearing and food crop cultivation, are to be handed over to a government statutory corporation, chairman of Caroni's board of directors, Frank Rampersad, reported.

The authority will be responsible for the distribution of the lands to cane farmers.

Mr Rampersad said the change was aimed at improving Caroni's effectiveness.

No workers will be redeployed or put on the breadline because of the change, he said.

The farms will be between 10 and 30 acres and will be available on a 30-year lease, with an option to renew.

The lands could be passed on to members of the family, but must only be used for the cultivation of sugar canes, he said. Holders of these plots will not have to pay land premiums and are eligible to receive soft loans for the erection of houses on the sites.

These subsidised loans are available through the Agricultural Development Bank here and can also be obtained for the purchasing of equipment, vehicles and supplies for agriculture.

People involved in the changeover, Mr Rampersad stated, will become employees of the statutory authority and not Caroni Limited. He stated that the proposals for the change-over were put forward in an effort to trim down the management of the company.

The aim was to install an organisation which will give each manager a clear mandate and authority to manage and at the same time hold that manager accountable for activities within his department, he said.



## ESTEBAN REY CRITICIZES U.S. POLICY IN LATIN AMERICA

Caracas EL UNIVERSAL in Spanish 4 May 81 Sec 1 p 13

[Article by Luis Esteban Rey: "The U.S. Imperialist Policy in Latin America"]

[Text] President Reagan's government has not yet established a policy toward Latin America, but there is no doubt that, insofar as the dictatorial governments are concerned, there was already a decision even prior to the Republican victory, one that was subsequently confirmed by Reagan himself after he became ensconced in the White House, and by his secretary of state, Gen Alexander Haig. This policy decision is favorable to the dictatorships, owing to the priority that Washington attaches to a presumable battle against communism; and hence it tends to debilitate the democratic forces.

In a recent conference held by the secretary of state with the Trilateral Commission, an organization of businessmen from the United States, Europe and Japan, created by Nelson Rockefeller, the problem of human rights was brought up. Haig claimed that the violation thereof was opposed by the Reagan government but, at the same time, he made a distinction between what he described as "authoritarian" governments and "totalitarian" governments, that is, communist or procommunist ones. One could be tolerant toward the former, but the latter have to be opposed unhesitatingly.

According to the secretary of state, "Generally speaking, the authoritarian regime is oppressive because of a lack of political and economic development, and assumes absolute authority for itself only in a few politically sensitive areas." Of course, when Haig was speaking about the "authoritarian" governments, he was not referring solely to those in our hemisphere, but rather those throughout the world.

The U.S. policy toward the countries which violate human rights (the secretary of state claimed) must be determined in accordance with whether the regime aids or rejects "international aggression," and whether it is totalitarian or authoritarian. He noted that the United States must discriminate with regard to the source of the violation.

Haig added that it has been observed in recent years how a policy "not based on those principles can contribute to a definitive failure and a decline from the status of a stronghold against aggression, and to the substitution of a totalitarian regime for an authoritarian one." The North American commentators thought that Haig was referring chiefly to Vietnam, Cambodia and Nicaragua.



That definition made by Haig of "authoritarian regimes," as well as another notion of his claiming that the United States wants everyone to receive the blessings of liberty, but that, "there are limits as to what we can and should do to transform other cultures, habits and institutions," are not only complete hypocrisy, but in Latin America constitute a repetition of an old sociological theory that is cheap, superficial, discredited and unacceptable. One cannot justify the existence of dictatorial governments in Argentina, Chile and Uruguay, for example, "because of a lack of political and economic development." In Paraguay, Bolivia, Guatemala and Honduras, not to mention despotism such as that in Haiti, "authoritarianism" is the worst enemy of economic and political development. In the first two countries that we have just mentioned, the generals have become wealthy from drug trafficking and smuggling. These are the regimes which proclaim their anticommunism, and which the United States is seeking as allies against "international aggression."

But it is quite difficult for the relatives, friends and fellow countrymen of those assassinated, kidnapped, tortured and missing in all those countries to accept the distinction that General Haig has attempted to make between "authoritarian" and "totalitarian." Both seem excessive to them.

But since what is involved is the exercise of an imperialist policy, which was never completely abandoned, but which has now acquired new strength and vigor, the nature of the governments does not matter to the United States except from the standpoint of whether or not they back Washington against the "totalitarian aggression." The fate of the people within the countries governed by those "strongholds against aggression" is something very secondary.

There was once a policy of "peace with peoples and wars with kings," but this one of Mr Haig is quite the contrary. The U.S. Government proclaims peace with kings, even though they may wage war on their people, provided they declare themselves to be anticommunist. But it so happens that, in that alleged battle against communism, the "authoritarian" regimes also usually destroy the democratic sectors. We have observed this in several Latin American countries and, at present, the "authoritarian" government of Gen Romeo Lucas Garcia in Guatemala is a living example of those practices which the United States tolerates and encourages, because the general is an avowed adversary of "totalitarian aggression."

#### Encouraging Anti-Americanism

This policy of Reagan and Haig (with warm support from the far right in Congress, the leaders of which include men such as Senator Jesse Helms, head of the subcommittee on hemispheric affairs) is shortsighted, lacking in imagination and quite obviously destined to intensify anti-Americanism among our peoples.

The United States is only creating new focal points of insurrection wherein the left wing extremists will necessarily find fertile ground. The Sandinist revolution in Nicaragua, which is now a target of a stupid North American policy, occurred precisely because the people were tired of the abuses and outrages of a dynasty, backed and protected from its beginnings by the United States, which was one of those "strongholds" against "totalitarian aggression" so highly esteemed by General Haig. Even the most illustrious part of the Nicaraguan private economic sector rose up against that "authoritarian" regime which, with equal enthusiasm, assassinated a democratic

newspaperman and killed an allegedly Marxist guerrilla; however, Carter's hesitation delayed the downfall of the "stronghold," which would have taken place in a different political situation if that delay had not existed, resulting in large measure from a contradictory policy on the part of the chief of the National Security Council, Zbigniew Brzezinski.

(Apropos of Nicaragua, it is incongruous that, while the United States has refused a loan for the purchase of wheat to the Managua government, accused of aiding the Salvadoran guerrillas who are labeled Marxist and pro-Soviet, it has decided to lift the embargo on the exporting of grain to the USSR, which is supposed to be the driving force and origin of the subversion in Central America and the Caribbean. To be sure, this decision is based on domestic imperatives and on a Reagan electoral promise, but in any event it is incomprehensible, and in contradiction to the "hard-line" policy toward Moscow.)

It is a serious mistake for the United States to think that the "authoritarian" governments in Latin America could become set up as a "stronghold" of something other than the interests of the minorities that benefit therefrom. It is by now trite to stress that the best allies of the extremists in Latin America are poverty, injustice and the obvious social inequalities. These internal factors have helped to pave the way for the extreme left, as has happened in El Salvador, and is happening in Guatemala. And if we want to avoid a greater tragedy capable of enveloping all of Central America in flames, it is necessary and pressing that there be a political solution that will allow the peoples to express and organize themselves freely and democratically.

#### Imperialist Impetus

Thus far, the U.S. foreign policy has been expressed with an imperialist impetus in both action and language. Hard and difficult times are in view for Latin America and the Third World. The multinational companies feel more protected now than ever before. The United States' reluctance to approve the international treaty on the law of the sea, which was virtually ready for signing at the final meeting in October at Caracas, is a victory for the large corporations which hope to take possession of the resources in the ocean depths without any obligations to the rest of the world, something that the draft treaty attempted to preclude. This policy is also part of the battle for natural resources between the United States and the USSR, which is another element lending greater emphasis to the global confrontation between the United States and Russia.

Latin America must unite against a policy which, stressing bipolarity and confrontation with the Soviet Union, claims that anyone not entirely with it is against it. All of democratic America rejects Soviet expansionism and the ambitions of its agents in our area, but a mistaken United States policy such as the one being carried out in our America and, in general, in the "so-called Third World," as General Haig usually terms it, perhaps downgrading the importance that it has assumed despite its underdevelopment, is the best gift that President Reagan could give to the Soviets. In his treatment of Latin America, he risks having the tables turned on him.

## A Might That Can Never Be Restored

The United States must not allow the USSR to surpass it in the military area, a situation which, despite all that has been said by the (direct or indirect) spokesmen for the North American military-industrial complex, has not occurred and could hardly occur; but it is useless for it to seek a supremacy that would last only a short time and would give rise to an arms race that would be difficult to check.

Reagan has proposed the renewal of the American spirit of self-confidence among the people of his country. But there can hardly be a return to the past of nearly absolute power and domination. In this connection, it is fitting to reprint the initial comment from a lengthy work on "American Renovation" by an irreproachable personage, Henry Grunwald, editor-in-chief of TIME magazine. Grunwald remarked: "...We must have a more balanced concept of the world. We are often unrealistic in overestimating the Soviets, who also have serious problems. We lack realism when we think that any success anywhere in the world, not only of the Soviets and their allies, but also of any revolutionary force, means a failure for us and hence should be combated and defeated. No empire since ancient times has possessed such power. The enormous superiority that we enjoyed after World War II, when the majority of industrialized countries were in ruins and the United States alone had the atomic bomb, can never be restored. We have to make decisions about what we should do with our power."

And since we have been commenting on the arrogance of the new North American administration toward the Third World, perhaps it would be feasible to quote again the editor-in-chief of TIME who, after warning that "military power, which is unquestionable necessary, is not a substitute for intelligence, sophistication, flexibility and political action," adds: "Particularly in the Third World, nationalism is a powerful force, and we must try to get along with it, rather than taking a stand against it."

These are the realistic voices that we wish President Reagan and his "vicar" Haig would heed carefully, insofar as they concern both our America and the rest of the world, so as not to seek the resurrection of an imperialism which is anachronistic and intolerable, and hence contrary to the genuine interests of the people of the United States.

2909

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## BRIEFS

MARINES TRAINING IN FALCON--Punto Fijo--The Marines held Operation Salamandra, consisting of familiarization exercises, on the shores of the Paraguana Peninsula. The Naval Base reported that this is a routine operation which can be described as training exercises for the Navy and the consolidation of sea power. Active in the amphibious training maneuvers was the headquarters of the Juan Crisostomo Falcon Naval Base, under the command of Capt Luis Delgado Fornier, in cooperation with Frigate Capt Luis Moreno Zambrano, Frigate Capt Oscar Guzman Cova and Corvette Capt Freddy Rangel Contreras. It was explained that one of the main goals of the maneuvers was the occupation of the beaches supposedly held by the enemy. In this way, it was added, the professional personnel acted with the responsibility that they have in the legal and democratic area to guarantee the state's peace and sovereignty. Secondly, they acted to prepare the youth, as part of the responsibility for national development and to achieve understanding on the part of each member of the Armed Forces. [Text] [Caracas EL UNIVERSAL in Spanish 3 May 81 Sec 2 p 30] 2909

PCV PRESIDENTIAL CANDIDATE--On Tuesday, 21 April, the Central Committee of the Communist Party of Venezuela [PCV] approved a proposal to the party's regional and local committees and cells calling for the presidential candidacy of Dr Jose Vicente Rangel in the primary elections to be held for the purpose of selecting the single candidate of the National Coordinating Entity of the Left. Within a maximum period of 60 days, the aforementioned medium-level and rank and file organizations of the PCV will be required to express their opinions, in accordance with Article 56 of the organization's statutes. At the end of the consultation, the Central Committee will meet again to process the results thereof, and to draw the pertinent conclusion. The Central Committee's resolution was passed after a fruitful discussion in which over 40 members participated and many aspects of the PCV's unified policy were clarified, in addition to the contribution of ideas for improving our tactics in search of unity. The Central Committee's Politbureau was authorized to prepare a report explaining the reasons for this proposed backing of Dr Rangel as the best candidate of the left and of the people of Venezuela. The Central Committee also approved a statement on the management offensive against the workers' democratic rights, and a style commission was assigned to carry out the final writing of the report, which TRIBUNA POPULAR will publish in its next issue. [Text] [Caracas TRIBUNA POPULAR in Spanish 24-30 Apr 81 p 1] 2909

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